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THE MAIN CHANGES



Vietnamese refugees. Foreign Secretary Lord Carrington told the Lords. They will come from Hong Kong. A further fam will be con-

tributed from Britain's overseas aid programme towards refuzee relief work in South-East Asia over the next year. The new intake of refugees

will come, over a period. from the 66,000 boat people in Hnng Kong settlement camps. Lord Carrington's anoounce-

men; was generally welcomed in the Lords and Commons hut Eroch Powell drew angry Tory and Labour protests when he attacked the plan. Page 9

### **U.S.** withdraws

Nicaragua envoy The U.S. withdrew its aotbassador from Niceragua as a protest against the refusal of interim President Francisco O GOLD moved above 5300 an Urcuyo in hand over power to ounce for the first lime as the a Left-wing junta. The junta flew to Leon to establish itself

on Nicaraguan soil. Groups of Sandinista sup-porters briefly occupied Nicaraguan embassies in Paris. Madrid and Rome. Page 3

#### NHS changes

Sweeping proposals for changes in the National Health Service. including a simplified adminis-trative structure, a 15-year haspital building programme and abolition of health service charges, were suggested in a Royal Commission report. Back and Page S; Parliament Page 9; Editorial cumment Page 22

Liberal sit-in Ten Luberal MPs who failed in

# **Exchange controls** eased further but framework remains

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

#### BRITISH COMPANIES now have complete freedom of choice in financing of direct investment to overseas industrial and com-

No. 27,919

mercial operations, UK residents will also be able to buy most shares and bonds of EEC countries at the normal exchaoge rate without paying an extra investment currency premium.

written answer yesterday by Sir Genfrey Howe, the Chancellor. They form the second stage of Government's intended al dismantling of the cradual exchange controls.

DEC 1971 -100 Source:Banh of England a substantial removal of re-strictions on outward capital flows, even though the formal O J F M A M J

fell to DM 1.7990 hefore elnsing at DM 1.8070 (DM 1.8125). Its trade-weighted index failing 0.3 points in 83.6 for a decline of dollar's weakness affected the hullion market. The price closed \$3: np at \$301; after louching \$304. sterling.

STERLING rose 65 points to cluse at \$2.2175, its trade-weighted index finishing unchanged at 72.1.

6 EQUITIES traded less cenfidently, the F.T. 30-share index closing f.0 down at 472.0.

against DEUTSCHE MARK

Jan Dollar

TRADE-WEIGHTED

1 : 1

1979

1.95 DM /S

1978

• GILTS were with the first but early gains in both iongs and shorts were croded after the efficial close. The Govern-ment Securities Index closed 0.51 op al 73.57.

O WALL STREET was down BY DAVID FREUD 4.01 at \$24.49 before the close.

· CURRENCY will be available without limit at the official exchange rate for all tional organisations of which the UK is a member, including EEC Institutions and the ontward direct investment, and foreigo entrency horrow-ing to finance such invest-ment can be paid at the World Bank • SALE proceeds of exist-ing and new boldings of such securities can no lunger be disposed of in the investment

currency market. • FOREIGN currency ber-rowing by UK residents to finance outward portfolio

securities issued by interna-

investment which has been outstanding for at least a year up to today will be repayable with official exchange.

### Adjusted

\*\*\*20n

Rising

pound

worries

BY ANDREW FISHER

from cheaper imports.

LEADING BRITISH companies

If a continued high sterling rate led to the abandonmeot of market positions built up over many years, a "return at some more favourable time" would be "impossible or highly unlikely."

Sir Artbur said the rise in Courtaulds' pre-tax profits in the last financial year would have been £355 instead of flom if the exchange rate had

seas competitors. Another warning of the con-sequences of a high sterling rate came from Sir Arthur Bryan, chairman of the Wedg-wood pottery group, at his com-pany's annual meeting in-London who said that it would make for disappointing first make for disappointing first quarter results. Describing the pnund as "over-valued," he said conditions for exporting mannfacturers "must be bad as

year statement that sterling's

# **OECD** spells out oil price dangers exporters

#### BY ROBERT MAUTHNER IN PARIS

THE WESTERN industrialised the level required to reduce countries face a grim short-term unemployment.

expressed concern yesterday at the continuing high level of sterling. They fear the conse-quent steady erosion of export profits, and growing competition future of low economic growth, higher prices, and more un-employment because of the creater round of oil price in-creases, says a survey by the Organisation for Economic Co-Shareholders in Courtaulds, the textile group which is among the top 10 UK industrial exporters, were told sterliog operation and Development to-

day. In its six-monthly Economic was 25 per cent above "the level we would consider realistic." Outlook, updated tentatively to take into account the OPEC nil price decisions in Gencra last mooth, the OECD Secretariat Sir Arthur Knight, the chairmao, said a premium of perhaps 10 per cent above realistic levels forecasts that the area's gross national product could well grow by less than 2 per cent at -meaning a rate of \$1.95 to \$2--"would be an uncomfortable but bearable spur to further action to improve performance." an annual rate in the next year. Real incomes in the member-

The present slerling rate bad "a drastic effect on export mar-gins." It also encouraged imports countries are likely to grow at an even slower rate, of only 1.5 per cent. Mr. John Fay, head of the

and thus eroded home market margins, Sir Arthur told the annual meeting in London. OECD economics and statistics department, said at a Press conference that the aim of achieving high employment over a five-year period, set by the mem-ber-countries in 1976, was now most unlikely to be achieved.

of 1979 to the first half of next year.

Prévious

well as unique." Gestetner, the office equip-ment concern, said in its halfstrength was causing difficulties in overseas trading. "If sterl-

Japan's GNP was likely to rise by 4 per cent at an annual rate in the second half of this year, and jump to between 5 and 6 per cent io the first half of 1980. thanks mainly to increased OPEC purchases.

The West German ecocomy could be expected to grow by about 3 per cent in the next 12 months; that of France by 2.25 to 2.5 per cent; and Italy's by 1.5 to 1.75 per cent.

Apart from its purely mechanical effect in pushing up inflation for the area as a whole. the jump in oil prices would cause sharp deterioration in balances of payments of the member-countries, and complete disappearance of the large current-account surpluses which

Japan and West Germany have run in recent years. For the OECD area as a whole

the current account is expected to move into substantial deficit in the second half of this year. most unlikely to be achieved. In the second dail of this year, According to provisional esti-mates, the U.S. would have a annual rate of some \$40bh com-zero growth rate in the second pared with an original forecast half of 1930, while Britain's It could fall to an annual rate GNP would decline by some of \$30bh in the first half of 1980, thing like 0.75 per cent at an when OPEC purchases from aonual rate from the first half of CCD members, might be co-

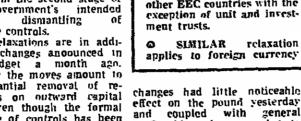
pected to increase as a result of higher oil revenues.

This would be partially off. A bleak picture was painted set by positive growth rates in by Mr. Fay of the employment other major countries, but not situation. In the area as a enough to pusb up the area's average GNP to anything like · Continued on Back Page Details, Page 4

**UK** unemployment expected to soar

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

UNEMPLOYMENT in Britain unemployment from 5.25 per 180,000 to 200,000 in the next year from the present figure. 1.28m, says the OECD report. In a separate analysis of the UK economy the OECD takes a gloomy view of pros-



retained. The strength of the pound and of external confidence since the Budget have resulted in an acceleration in the programme of relaxation. But the latest utoves are not designed as a response to the recent sharp rise in the rate, nor are they expected significantly to affect the short-term demand for

The announcement of the

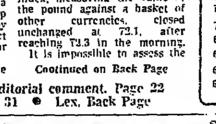
Details, Page 7 • Editorial comment. Page 22 Money markets, Page 31 • Lex, Back Page Gap between earnings

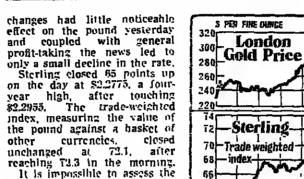
official rale. The changes, which are effective from today, were announced in a Commons UK RESIDENTS can invest at the official exchange rate in most securities denominated and payable solely in the currencies of other EEC countries with the exception of unit and investment trusts.

The relaxations are in addition to changes anoounced in the Budget a month ago. Together the moves amount to

structure of controls has been

and prices closing





70 Trade weighted-

· · · 1 ·.. Dec 1971 = 100 62 FEB MAR APR MAY JUN JUL

changes had little noticeable effect on the pound yesterday and coupled with general profit-taking the news led to only a small decline in the rate.

adjusted in the faster rise in costs at home than among overseas competitors.

win European seats carried out @ \$125M GOVERNMENT supa symbolic sil-in at the European Parliament in Stra-bourg. noisier protest came from Paisley, who walked out during a speech by Ireland's Jack Minister, Back Page Lynch. Page 2

#### Snowdon baby

Lord Snowdon flew to Switzerland on a photographic a-signment after announcing that his second wife, the former Mrs. Lucy Lindsay-Hegg, had given birth to a daughter at West-

#### Indian shake-up

Yeshwantrao Chavon, Opposition leader, was given the task of forming a new lodian Government after the restanation of Moraji Desai as Prime Minister.

#### Thynne verdict

Lord Valentine Thynne, third son of the Marquess of Bath, hanged humself with a hed-spread while the balance of his mind was disturbed, a Salisbury inquest found.

#### Good opening

Battling a troublesome wind, Scotsman Bill Longmuir scored 65, sr; under par, on the first day of the British Open at Royal Lytham St. Annes. His round equalled the course record to an open championship. Page 6

#### Briefly ....

New York taxi drivers, angered over modest face increases, brought cush-hour traffic to a brought rush-hour traffic to a taxable surplus down from standstill. About 2,000 took part- £3.8m to £1.93m for the 26 Shetter urged the Government to review its phlicy of selling council homes. The policy could cost £3hn over 40 years, it said. Texas Democrat was ordered out of the U.S. House of Bepresenfatives for appearing without a O AMERICAN MOTORS rejacket and lie after an energysaving cut in the air condition-

port scheme for the manufacince and application of microelectronies could be severely climinated altogether. Ulster's successful Euro-MP lan primed following revision on the orders of the Prime

by the Department of Employment show that average earn-O BRITISH SHIPBUILDEBS ings rose by 13.2 per cent in the year to May, only 2.9 percentace points more than retail prices. lost about £45m last year, keeping roughly in line with Government finaocial targets for The earnings figure appears the period. Back Page

In line with Treausry protec-tions for a rise of about 14 per O MERIDAN MOTORCYCLE co-operative has been given a cent uver the current wage few weeks to find ways of re-paying £1.2m interest on State round, which ends this month. This would be close to the last oans. This means the co-op round's outcome. is not forced to cluse imme-

It would also be below the annual rise in retail prices-expected to he about 15 per cent KEEN AND NETTLEFOLDS is in spend about \$80m (£35,2mt to set up hy July-for the first time in 18 months. Through much of the 18a second allignments components facility in the U.S. Back Page

© HOARE GOVETT, the stock-brokers, says Britain would benefit substantially if the EEC could establish a Common Energy Policy. Page 7

VENESTA INTERNA-TIONAL showed a lotal deficiency of £20.8m when it went receivership in 1976. inio Page 24

#### COMPANIES

Page 24

'diately,

GUEST

O MFI furniture year. Centres reports a rise in pre-lax profils from £5.34m to a record 13.98m for the year to May 26, Page 24 BIRMID QUALCAST reports

weeks to April 28, Page 26 ♦ AU010TRONIC HOLDINGS reports a pre-las deficit of £733,000 for the year to March.

ports a rise in third-quarter profils from S6.tm (£2.7m) to \$15.1m. Page 28

THE GAP between carnings 252 Percentage intreases mer In the first 10 mon previous 12 months was closing fast in the spring. according to official figures, and Retail 20.1 is now likely to have been Prices Figures released yesterday

Earnings SEASONALL' 1978 1977 1979

month period, carnings had

heen rising twice as fast as

prices, with a gap of about

Motor imports exceed exports

at £355m imports were up by

Commercial vehicle exports

with imports 49 per cent up at

\$155m. Motor component and

accessory exports were up 1 per

declined by 11 per cent to \$271m, while imports grow by

7 per cent to £92m. The SMMT said: "The first

quarter's low car output-riown

CONTENTS-

cont at £780m and imports up

per cent at 1457m. Exports

other industry products in as tracture and traders

were 2 per cent down at £245m, during its nine-week strike and

nent.

59 per cent at £1.16bp.

ΠĒ

Britain's mineral supplies: the threats

and the remedies ..... 22

Economic Viewpoint: bribing ourselves

with industrial aids ..... 23

percentage points in the

wage round, average earnings ing continues at its present high under the new index-which levels, the gmup's competitive covers all employees and is unposition and its profits overseas adjusteil-rose 9.7 per cent, will remain under pressure." compared with 11.2 per cent in Reports, Page 24. the previous round.

two rounds is probably due to slightly fewer employees settling so far this year thao last.

In the first 10 months of the

mainly production workers, rose 11.8 per cent in the first ten months of the round, somewhat

more than the new index. Indications are that this reflects more settlements in production iodustries so far this round.

Settlements still to he reflected in the official figures include those for teachers and non-manual civil servants, hoth of which include back pay to annual rates of growth during last April.

One major factor in the car

from overseas plants by Ford,

which was badly hlt last year

has since been struggling to

In the first three months of

the year 47 per cent of new

Fords registered in the UK

were assembled on the Cooti-nent. The comparable figure

Ford said yesterday, however.

that every month was now show-

ing an improved ratio of domes-

tically produced cars to im-

ported ones. In June, 50 per

cent of its cars sold here were

made in Britain.

Tauzania: the Queen's visit .....

Oil supplies: no increase in Russia's

exports to the Comecon countries... 5

Editorial comment: exchange controls;

in 1978 was 33.4 per cent.

nicet record demand.

Most of the difference in the £ in New York July 17 The old index, which covers

Spot , \$2.270-3,271 52,3530-2640 1 month 0.63-0.54 dis 0.74 0.68 dis 3 months 1.67-1.65 dis 1.82 1.76 dis 13 months 4.60 4.50 dis 4.73 4.62 dis

cent in first-half 1980 unlikely to be very different from uppublished internal Treasury estimates The OECD forecasts of

lp.

demand and ontput are broadly similar to the projecpects for domestic demand tions by the Treasury a month

والمراجع والمستعد فتشوقه المناس

and activity in that period. The OECD is often described as the British Treasury to esfie, as its ago. .Total output, measured by real gross domestic product, is expected to be roughly at last year's level in 1979 as thinking and forecasting techniques are similar to those of. Whitehall economists. Consequently, the OECD whole, against a 2 per cent rise in the OECD pre-Budget projection of a rise in adult . forecast.

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### **CHIEF PRICE CHANGES YESTERDAY** (Prices in pence unless otherwise indicated)

RISES	Pacific Copper 69	÷	6
Treas. 13pc 1990 £1043 + 14	FALLS		
Ex. 12pc 20-13-17., £1011 + 14	Abercom	_	7
Automated Sees 154 ÷ S	BAT lods 266		
Birmioghaol Mint 175 + 12	Beecham 535		
GUS A	Frouch (D.) 172	-	8
Kelsey Inds 145 ÷ 6	Gesteiner A 105	-	Τ.
Loda, Scot. Finance 58 + 6	Ranson Trust 110		
Magnel & Southeros 198 - 10	Highland Distirs 94	-	4
Morrisoo (Wm.) 153 - 1	- ICI		9
Pleasurama 154 – S	Imperial Group 911	-	23
Regjakij t10 + 4	Jacksons Broe, End 150		
Samuel Props 128 - 6	Lloyds Back 335	_	15
Startrile	Midiand Bank 370		
Styla Shues 150 - 10	Sandeman	-	8
tinion Disconot 380 ÷ 1P	l'nilever 496		.75
Vita-Tex	BP		ណ
Ynrkshire Chemicals 65 - 5	Shell Transport		
Sozoniana	Lie Beers Detd 341		19
Cons. Murchison 290 - 10	IC Investments 240		
Hampton Areas 210 - T	Union Corp		
Ranford Areas 219	emon corp	_	13

Advertising and Mar Europe, 101 years on Swedcn: coping with		19	the Health Se Lombard: Da nuclear policy	rvice vid Fi	shlock on Brita	22 in's 20
Amelican Naws 3 Appointments 40 Appoints Advt 40 Appoints Advt 40 Atts 21 Rase Rates 32 Commodilies 39 Companies 41 Composities 39 Companies 70 Econ. Indicators 2 Entertient State 20 Eurogen News 27 Eurogen News 2	FT Actuaries Inil, Companies 22 Jobs Column Learter Pago Letters Lee Lomberd Mark sting Mark sting Mark and Matters Manny & Exchange Hunny & Exchange Charses (Sears Parliamen)	40 20 22 23 4 25 1 2 27 3 4 2	Racing Saleroom Share Information Shore Information Shore Information Shore Information Share Information Call Streng Restriction Restrict	20 6 42-43 32 23 12 23 12 23 12 23 12 23 12 23 12 23 12 23 12 23 12 23 23 23 23 23 23 23 23 23 23 23 24 24 24 24 24 24 24 24 24 24 24 24 24	Unit Tuests Weather Wootd Trade News ANNUAL STATEMET Burningham Mint Bremar Truss Ruit, Aurports Auth, Courseuds Decurseuds Interna Mingal, Witan Inness, INTERIM STATEMED Gestetnar Midgs, Unien Discount	41 44 5 27 28 27 28 27 28 27 27

For Intest Share Index phone 01-246 5026

UNISA!

BY LISA WOOD IMPORTS of motor vehicles five months were 7 per cent and components exceeded the down on a year before, while imports figures was the large UK motor industry's exports in at £355m imports were up by percentage of cars brought in volume for the first lime in the first five months of this year. Exports were £1.65bn. 3 per cent down on January-May last

Imports were 43 per cent al £1.86ho, creating a £212m deficit against last year's £411m surplus in the first five months. In 1977 the surplus had been £1.33bo while for last year as

whole it was £776m. Figures confirmed yesterday by the Society of Motor Manufacturers and Traders show that car exports were particu- 9.3 per cent to 325,000 vehicles arly hadly hit at a time when —which resulted partly from IK dentand for new cars the lorry drivers' strike and eached record levels — harsh winter accelerated the By value, car exports in the devlice into deficit." larly hadly hit at a time worn UK dentand for new cars reached record levels

4

appointed some EuroMPs wh would like the Parliament t

struggie more aggressively that

in the past to involve itself is

There was little in her speech

either, to dispel suppleton among a number of her col

leagues that Mme. Vell's view.

on the future development of the EEC are modelled closed on those of her former politica patron. President Giscar-d'Estaing, and that she will tr

to avoid any course of action that risks displeasing the Franci Government while she is i

lo contrast to the lofty cere

monial oratary of many of the speakers. Aking part in th opening session of the net-Parliament yesterday. Mr Ro Jeakins, president of the Eur

"I do not hide from thi

pean Commission, sounded

goomy warning note.

office.

EEC decision-making.

# EUROPEAN NEWS

France

adjusts

trade

target

approximately).

came after announcement of

the second consecutive monthly deficit in adjusted

trade figures for June, follow-

ing a run of surpluses since

the beginning of the year. The adjusted deficit of FFr

1.14bn brought the total

shortfall for the first six mooths to FFr 638m. This compared with a surplus of

France's surplus in non-

Unadfinisted figures for the

a 15.7 ner cent rise in imports

to FFr 209.5hn. . Inne's in-nort total of FFr 35.6hn was. 7 per cent down on the pre-vions month but 16 per cent higher than a year carlier.

Exports. at. EFr 27.1bn.

barely changed compared

with May, showed an increase

of just under 12 per cent over

**Energy-saving** 

the Portuguese

PORTUGAL'S outgoing Gov-ernment, led by Dr. Carlos Mota Pinto, has announced a

package of energy:saving measures. It laya down new speed limits. Sunday closing

of some petrol stations, reduc-

tions in lighting for street advertisements, and early closing of cinemas, theatres, nightclubs and other enter-

package for

By jimmy Burns in Lisbon

energy trade.

the year.

By David White in Paris

## Spain's last chance for peace with the Basques

2

By David Gardner in Madrid

THE SURPRISE agreement between the Spanish Government and the Partido Nacionalista Vasco (PNV). (PNV), mainstream the nationalist party, " caught the last coach on the last train 124 towards peace in the Basque . country." according to one of the participants in the two-week long hilateral negotiations, which ended late on Tuesday.

Leaders of the Basque party described the agreement oo bome-rule as "historic" and more far-reaching than the 1936 statute of autonomy" (under which the Basques ruled themselves for the first eight months of the Spanish Civil War).

Beyond Tuesday'a eupboria lie the guerrillas of ETA-Militar. who have already announced that they will cootinue the fight for an all-out independeoce. They have the backing of over 20 per cent of the Basque population through the radical nationalist electoral coalition, Herri Batasuna.

Yet the agreement is oevertheless historic. For the secood



King Jnan Carlos recently pictured sporting a beard

time in 140 years the central Government in Madrid and the effective representatives of the Basque population have agreed on a framework forhome rule.

Two major developments bave made the pact possible. First, the Prime Minister, Sr. Adolfo Suarez, bammered out the core of an agreement in long personal talks with the president, Sr. Carlos Garalcoetxea.

The Prime Minister's ruling UCD Party had previously

**Bonn Finance Ministry** optimistic on dollar BY JONATHAN CARR IN BONN

WEST SENIOR German monetary officials foresee no need for an early realignment of currencies within the European Monetary System (EMS) -despite repeated suggestions

Basque to the contrary. ught the They also remain fairly ast train optimistic about the medium term prospects for the dollaron which the slability of the EMS partly depends-in spite of the received decline of the U.S. currency since President Carter's latest evergy proposals. Herr\_ Manfred Labastein,

State Secretary for monetary State Secretary for monetary-affairs at the Finance Ministry, felt that existing rates within the EMS could be maintained at least up to and during the EEC review of bow the system bas worked in its first months. Thia stocktaking is dun either in September or October. To those suggesting that the

To those suggesting that the D-Mark might be due for revaluation-not least in the wake of last week's Bundeshank decision to raise discount rate -Herr Lahnstein pointed out that the Liza, not the D-Mark, bad long proved to be the strongest currency in the

taken by both countries, comsystem. The German currency bas in fact fallen by 1 per cent against the EMS, meant that devaluathe lira sioce the atart of this tion would not be necessary. ycar-and by even more against írisb pound, itself the influenced by the strength of mooths owed much to the the pound sterling which is not

at present a part of the EMS-exchange rate mechanism. following announcement of the While the Belgian franc November remaioed weak within the EMS

president, that even if the U.S. currency comes under still more pressure, the major turbulence of 1977-78 will probably be avoided.

Herr Lahnstein had harsh words for those, not least in West Germany, who had been ready to criticise President Carter's new energy plans without even having seen the text of his White House speech-let alone his further, more detailed remarks on the topic in Kansas

City. If the kind of wide-ranging criticism of the President often made in the past bad been well-founded, then the rate for dollar against the Deutsche Mark should now be DM 1.40 or lower. be suggested. In fact the market had so far found a reasonable balance. reflecting the strengths as well as the weakoesses of the U.S. economic position.

It was true that the U.S. inflation rate was high, but this should be reduced as the economy now appeared to he turning down.

Other factors favouriog the U.S. currency included the hined with normal support improvement in the U.S. current measures provided for within account-albeit to a lesser the EMS, meant that devalua- extent that the U.S. administration had hoped for some months fifth to Tam tonnes as France He agreed that the overall ago-stability of the EMS in its first for ago-and the additional needs stability of the EMS in its first for dollar: by oil importing mooths owed much to the countries in the wake of the relative strength of the dollar latest OPEC price rise. cereal sales contributed to a slight improvement in

He also felt that consultation U.S. support measures last and co-ordination between U.S and European monetary authori But he broadly took the view ties had generally worked well and the Danisb krone bad heen already voiced by Dr. Omar and there were good bopes this so, Herr Lahnstein felt the Emminger, the Bundesbank would continue. six-month neriod show a 15.1 per cent increase in French exports to FFr 209.4bn and

# **Turkey granted DM 380m credit**

Herr Manfred Lahnstein

different

domestic measures

### BY ROGER BOYES IN BONN

WEST GERMANY has granted Turkey a DM 380m (£92.4m) concessionary credit as part of the West's emergency aid packthe DATF-It is expected to he ratified by the IMF in Washage to Ankara, it was announced yesterday. potential aid-givers.

The 30-year credit is Bonn's contribution to the \$900m assistance programme agreed by a group of Western indus-trialised nations-many of them

NATO partners of Turkey—in Paris at the end of May. The German credit will be lnmedium-term programme was agreed by the Guadeloupe par-ticipants—U.S. Britain, France and Germany—and since then Boun has taken over the politerest fre efor 10 years and will then carry a 2 per cent interest, thus allowing Turkey to secure vital imports from Bonu. The agreement was signed yesterday tical co-ordination of the proby Dr. Guenther Van Well, a ject. state secretary in the Foreign Ministry, and Mr. Vahit Hale-foglu, the Turkish Ambassador. The Western countries agreed to stop-gap financing providing credits, and Britain, too, is ex-Turkey accepted certain austerity measures recommended by the International Monetary

Fund. Such an agreement has been the lack of a Turkish been reached by Turkey and agreement with the IMF. Last week the Turkish central ratified by the IMF in Wash-lngton today-and this in turn ments totalling \$836.3m with a bas opened the floodgates for group of Western banks which partly provided for another loan and partly for the re-West Germany is the first of the four powers which attended the Guadeloupe summit in Janu-

scheduling of debts. Metin Munir adds from Ankara: Sterling gained value against the Turkish lira by 9.4 ary to sign a bilateral credit agreement with Turkey. The principle of an emergency and per cent, along with 14 other major currencies Dot including the dollar, following an adjust-ment of the cross rates by the central bank bere.

This was the first adjuktment following last month's 43 per cept devaluation, a component Prime Minister Bulent The U.S. haa promised Turkey Ecevit's second stage stabilise

almost \$200m of aid plus a ation programme. further \$50m worth of export The move comes The move comes on the eve of the discussions of Turkey's pected to enter talks with Tur- letter of intent by the Interkey his week. The atumbling national Monetary Fund's board block for both countes ibd of directors tomorrow.

The off price increase bas hit Portugal harder than most other European coontries. The price rise decided at the Geneva OPEC meeting will

tainment centres.

# Veil cool on extending powers of Parliament

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

MME SIMONE VEIL, newly elected president of the Euro THE RISE in oil prices has pean Parliament, called on hey fellow Euro-MPs in Strasbourg yesterday to give fresh impetus scuttled France's hopes of maintaining a foreign trade surplus this year, but the to European integration by co-operating closely with other Government is aiming to keep the shortfall down to a maxi-EEC institutions rather than by mum FFr 10bn (fibn seeking to extend the Parita ment's limited existing powers. M. Jean-Francois Deniau, the Foreign Trade Minister. said France should be able to make up this gap with a sur-She was careful to emphasize in her maiden speech that the EEC treaties laid down clearly defined responsibilities for each plus on its services account. of the institutions, confairing on the European Commission The government forecast, which is conditional on the development of the franc-dollar rate and other factors. the right to initiate point proposals and entrusting legis lative decisions to the Council

of Ministers. The Parliament, for its part. should aim to fit into this framework by cultivating a framework by children with close working relationship with other EEC institutions and relving on the new other EEC instructions and relying on the new legitimacy" which it had derived from direct elections in make its voice heard. It should seek to assist in the creation of a Europe based on

FFr 752m on ao adjusted basis in the first balf of last solidarity, independence and co-operation, particularly with the Third World, lending its Higher of costs added FFr Zbn to the month's import bill support to moves to lower memplyment, narrow, regional comnared with the same month last year. The level of oil innorts rose by over a disparities and reduce dependance on imported energy supplies continued to replenish stocks. On the other hand, strong

She named two specific areas in which the Parliament should in about two years' time. play an active role: monitoring The rather modest objectives criticise actions by both the the operation of Community set out by Mme Veil dis- Commission and the Council



price increases would transfe merely to the expenditure side of the budget, whare it has real<sup>2</sup> resources away from the industrialised world, creatin the prospect of lower economical of the growth, fighter i inflation an limited authority to order changes, but should also con-cern itself with revenues. In its powers fully to question and

# **UK Liberals stake symbolic** claim to their 'lost' seats

#### BY ELINOR GOODMAN

THE BRITISH Liberals took moderation . so far yesterday that their protest about the iniquities of the British electoral system was barely noticed by the majority of MPs. Rather than making an em-harrassing fuss, the group of unsuccessful Liberal candidates slipped into the chamber to claim the seats which they lo-sisted should have heen theirs while the 410 successful MPs were out at lunch enjoying the fruits of their new-found.

Led by Mr. Russell Johnston, the ten Liberals plonked themselves down symbolically in the mlddle of the bemicvcle and sat there looking rather selfconscious for a few minutes while the photographers did their stuff. Thay then theoped ont, some of them eventually to return to the youth bostel

where they were staying. The demonstration



ence yesterday; one member of the European Liberal group denied that any such move was in the air, and said that, in any case, the Liberals could not cooperate formally with a party which was oppused to proportional representation. But rumours are difficult to kill in this greenhouse of European gossip, particularly when some-body has an interest in spreading them.

woman to boot. To convey just, how important it all is, the French radio and TV networks bave a total of 136 reporters and technicians registered here In all 715 journalists are accredited here from around the world. In the middle of the ranks of fast typing American-and chain-smoking Continental is a lone representative of the New China News Agency, New of Mme Veil's election In the presidency bas already theen sent to China together with an abridged version of the inemlong introduction to European history delivered by the mirlie ment's - much-revered - oldes member on Tuesday.

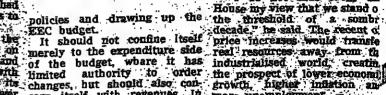
Anyone considering a care in European politics would de well to have been born in July.

If the great British public This is one of the conclusions still finds Enropean politics of a study of the vital statistics boring after this week, it will of Euro MPs produced by the not be for lack of trying by the Parliament's information service. and available in five language

Guinness Book of Records.

as the composite entry for the

To the evident delight of who-



described as unconstitutiona some 30 per cent of the draft statute submitted to Parlia-ment by Basque MPs last year, and bad vetoed Sr. Garaicoetxea's election as president of the semi-autonomous Basque General Council.

This was a dangerous game in view of Article 8 of the Spanish Constitution, whose enforcement is entrusted to the armed forces. It was by no means clear that, having put a tight constitutional wrapping on the draft statute. the Government could then start peeling it off in the form of concessions.

The Basque side, bard-pressed by the escalation of violence which has claimad some 70 lives this year, made clear that it could oegotiate only Minister. the form, and not the content. of the statute.

In betweeo bis frequeot meetings with Sr. Garaicoetxea, Sr. Suarez with behind-thescenes hacking from the King and Deputy Prime Minister, Gen. Gutierrez Mellado, has evidently sold the home-rule packaga both to the milltary and to radicals within his own party.

The second decisive moment was the appearance in Madrid last week of Sr. Mario Onaindia, condemped to death as an FTA member by Franco in 1970, and now secretary-general of FIA (Party for the Basque Revolution) and leader of the radical nationalist coalition Euzkadiko Ezkerra, the political counterpart of ETA (Politico-Milltar).

Sr. OnaiDdia's firm support for the original statute greatly strengthened the Basque negotiators' hand, doubly so In the light of the recent coastal hombing campaign carried out by ETA (Politico-

Militar). Radical nationalists in the Basque country now expect the "Poli-Milis," as they are known, to atockpile arms. Others in the nationalist movement, however, expect that support for Herri Batasuna will gradually flow towards the autonomists of Sr. Euzkadiko Ezkerra, provided the home-rule process

now goes smoothly. If this proves to be the case, Sr. Suarez could claim a recent months. major personal triumpb and a vindication of his political strategy-a variant of the Francoist method of allowing a situation to rot to such an

extent that almost any inter-Sweden's vention appears an improvement.

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1. The 1. Starting

Kreisky plans to serve full term

### BY PAUL LENDVAL IN VIENNA

DR. BRUNO KREISKY, the It clear that he was determined leave the Government. Anstrian Chancellor, who won a resounding victory in general elections in May. reaffirmed yesterday that be would stay in office until the end of bis term in 1983.

Speaking at a Press conference before the summer bis successor. recess, Dr. Kreisky dismissed a Government reshuffle would Socialists have already decided take place in the autumn after to nomioate him again. speculation that be would concentrate on foreign policy and international questions, leaving the provincial and regional electhe day-to-day domestic policy to Dr. Hannes Androsch, his this and Vorarlberg. It is under-leader of the People's Party. Vice-Chancellor and Finance stood that the Ministers of Con-has told the Presideot that his

dinister. br. Kreisky, who is 68, made couple of secretaries of state will date.

to, remain in charge and that It is now clear that the there was no question of the Federal President, Dr. Rudolf Finance Minister being "Crown 'Kirchschlaeger, will be re-Prince." He added that there elected next May for a second were several young and able six-year term. The former politicians apart from Dr. Foreign Minister in Dr. Androsch who could qualify as Kreisky's Cabinet was nominated in 1975 by the Socialists and The Chancellor disclosed that won a comfortable victory. The

Aware of the Head of State's tions in Upper Austria, Carin- great popularity, Dr. Alois Mock.

add a further \$113m (£49.8m) to Portugal's oil bill, which bad already been expected to rise from \$754m (E332m) to \$1hn thia year. Oil imports are thus expected to account for over 30 per cent of the expected trade deficit for 1979 of \$2.5bp (£1.Ibn).

The latest measures, while offsetting a part of this burdeo, fall far short of what most economists regard as DCCPSSLITY.

The Government has not announced any rise in the price of petrol or ef other oilderived fuels to dampen consumption. Overall oil coosumption rose 13.1 per cent during the first quarter of this year, while fucl oll con-sumption increased by 19.1 per cent.

judged to bave been a success, also publicly pledged the group garner local news. to working towards the intro- The independent radio and and dates for anyone wanting to duction of a common system of TV networks, seem to have ingratiate themselves with the proportional .

througbout Europe. Nevertheless, I the visit may not bave been an entirely happy them they bave sent only 11. one. The Liberals can scarcely fail to have heard the British rather closer links in the. Centre-Right of the Parliament. At the Liberals' news coofer- the president is French and a elderly 55 for the Italians.

BBC. The corporation bas sent however. At a news confer-ence earlier. Dr. Martin Bange- men and technicians to Strasmaun, the chairman of the an- bourg. At times they have To the evident delight of who is European Liberal and Demo- seemed in danger of filming ever is responsible for writing. cratic-group, had promised to each other in their search forkeen the British Liberals in news. In addition to the main shows that "no less than eight, touch with what was going on radio and TV news teams, four of the 24 Belgian MPs have in Strasbourg. Abother mem of the regions have sent ont birthdays falling last week, this her of the European group bad representatives of their own to week or next week." It then

representation taken a rather less optimistic new members by sending them view about the audience intereat in the new Parliament. Between

reporters. tail to have neard the British The Boc team, however, opviously already gone over a Conservatives gossiping about dwindles into insignificance metric years) which is rather the way the European Liberals when compared with that of the younger than the last lot. The would like them and the Freech. For them, the Parlia British have sent the youngest Christian Democrats to form ment has all the makings of a bunch of recruits. Their average in the good story. Not only is it tak is a mere 45 years, compared

up the information, the survey... goes on to provide the name, ingratiate themselves with the birthday cards The survey also shows that the

average aga of the new Earo-MP is 50.6 years (the Parijament bas The BBC team, however, obviously already gone over to ing place on French soil but with 53 for the French and ar

# Sweden's plan for the oil crisis brings threat of rationing

IT IS not only President Carter rationing in the winter.

whose political standing has The Liberals are most un-bean undermined by soaring oil likely to start rationing before prices and by his Administra- the election, and the energy government

election rapidly approaching, from the Left, about the ex-the damage could be serious, pected large increases in com-Swedes taking part io a recent pany profits. The Liberal Swedes taking part io a recent pany profits. The Liberal opinion poll rated "safeguard- Covernment clearly fecls that ing future energy needs " as the some majors bave dealt unfairly with Sweden. most important current political. issue.

Earlier this year Sweden tried be interpreted as an attempt to and failed to trigger the Inter- reverse Swedish oil policy in the oational Energy Ageocy (IEA) middle of a crisis. In the 1974-78 mechanism under which other period Sweden benefited from members bave to divert supplies the low prices of petroleum proto a country with an import ducts on the Rotterdam spot abortfall. This month a message market. Independent oli comfrom the IEA that a major oil panies flourished, the majors company (BP) bad agreed to with national networks in increase deliveries to Sweden Sweden met tough price comproved to be based on a mis- petition and those Now the refineries could operate them understanding. Government is desperately try- only at reduced capacity and at ing to reduce the country's a loss. dependence on the spot market Now

Now the independents, who where prices have rocketed in buy at spot market prices, are in financial trouble. The refineries On Tuesday the Government are running at full capacity, and

anoounced price increases for the Governmeot is urging the petrol, diesel and light heating majors to step up deliveries to oils used to heat most of their Swedish subsidiaries at private bomes. prices based on the OPEC sell-

Sweden's private bomes. The controlled prices are still lower than the spot prices for crude, not the spot rates. The Government hopes that it bas pitched the level high enough to stimulate the companies will be to free standably argues that a country which depends on imported oil to meet 70 per cent of its fuel oils with the result that means it action is whether this action is whethe

solve energy problems. In short-term oil supplies. A re-Sweden, which relies far more forendum on nuclear power is beavily than the U.S. on im- scheduled for next spring. ported oil, inactivity over oil Sweden's oil supply problems supply difficulties threaten to have revived the argument over tarnish the reputation of Mr. the functioning and responsi-Ola Ullsten's Liberal minority bilities of the major oil companies. There have already With the September general been recriminations, particularly

The Government position can

535

with

BY WILLIAM DULLFORCE IN STOCKHOLM

A police helicopter pairols a Swedish motorway as new road signs go up restricting speeds.

compete with the independents. European governments, the sured of their supplies. But. With a shortage of low-priced Swedes feel the time has come this week; arguing that heavy crude, they are disinclined to to control the Rotterdam mar- fuel oil prices had reached a follow the Government's pre- ket.

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speculative level, the Govern-

and a set of the set of th The set of th

prices well below spot market on light heating oil deliveries light levels. Current pressure on supplies and im rubic metres during the has been aggravated by the second half of the year. stock system operated in lift that happens the Govern-Sweden. Oil companies and ment caonot svoid rationing major consumera are obliged by supplies of light heating and law to maintain emergency diesel oil as well as petrol. stocks at levels which vary by The Euberal cabinet has been

product. This year companies were one hand it has wanted to curh allowed to reduce their stocks prices in order to prevent the of light heating oils by more consumer price index passing than, 30 per cent between the threshold which would January and May with the re- trigger off new ware claims in suit that by Jnne there was a October, and also for political deficiency of 1.5m cubic metres reasons immediately before the

deficiency of 1.5m cubic metres of light beating oils in the com-bined emergency and commar-cial stocks. This deficiency now bas to be made up at the same time as economy. And by organising the normal refilling of stocks gill supplies it also wants to to their January 1 level. Some demonstrate the efficient of Sm cubic metres of light heat administration it promised ing will have to be found when it took office last October. before the year's end. The rise The Liberal government has in domestic prices annoniced meen tables with several down meet this requirement. The authorities have tried to crete outcome has been a deal apply the stick. From August 1 for 300.000. tobs, from Iraq-companies and consumers with Moreover, the Government will stock obligations will have to need to find refiners in Europe pay a monthly fine, equivalent to the spot price of light heating oil, on the shortfall in their emergency stocks. This measure oil, on the shortfall in their annually about 28m. tons of emergency stocks. This measure crucic oil contralent. Last yes. is calculated to induce the com the full for this was SKr 14.2bn

panies to buy on the spot market. The probable reaction from SKr Sha this year.

that this will climb by about

ments but so far the only con-

for any erude oil it can obtain.

Sweden needs to import

(El.5bn): Oil experts estimate

the 1974-78 period, in order to the spot dealers. Like other dustrial users have been en-

### فيكون معن لاجل **AMERICAN NEWS**

### U.S. could verify adherence OPEC holdings 'do AFTERMATH OF MEXICO'S GENERAL ELECTION to SALT within year not pose threat'

### BY DAVID BUCHAN IN WASHINGTON

THE U.S. will need four to five years to make good the loss of its intelligence stations in Iran to multor Russian missile tests, Mr. Harold Brown, Defence Secretary, toki Congress yesterday. But it will take only a year of less to restore its ability to verify the SALT-II. treaty, he added.

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Mr. Brown will detail U.S. intelligence alternatives in closed sessions with the Foreign. Relations Committee and other Senate bodies. But he commented publicly yesterday that reconnaissance flights by U-2 aircraft were not the only sub-stitute the U.S. had for the Iranian, stations.

Turkey has so far banked at U.S. requests to allow U-2 flights from its territory over the Soviet Union.

Mr. Brown assured Senators that the U.S. would abrogate the SALT-II pact if Moscow committed major and un-resolved violations of its provisions.

But he was confident any Mr. Brown beld extensive major Russian cheating would talks on Tuesday, with Mr.



by the political risks for the USSR



### Mr. Harold Brown

be spotted by the U.S. in ample time, while minor Russian infractions would be militarily

Mr. Brown beld extensive

Francis Pym. British Defence Secretary. Mr. Pym later under-lined British support for the arms pact, but considered that further NATO attempts to nersuade the U.S. Senate to ratify the treaty might prove counter-productive. Mr. Pym also discussed with

Mr. Brown the issue of modernising tactical nuclear weapons Treasury Secretary, was answering anxieties by members of the in Europe, on which a decision House monetary affairs com-mittee that OPEC investors is due this autumn. He refused, however, to

might gain undue influence in comment on reports that the particular U.S. companies or likely outcome would be Britzin agreeing to accept sectors or might, for political reasons, withdraw their holdground-based Cruise missiles with West Germany providing ings in damage the dollar. hase for Pershing-2 missiles. Specifically, the committee From bis talks with Seoate

has been asking for more disand House armed services comclosure by U.S. authorities of the mittees. Mr. Pym said he was size and nanire of OPEC invest-ments in the U.S. But Mr. confident Congress would provide enough hudget money this year to keep alive U.S. develop-Beresten explicitly rejected this request, saving this might deter the ioflow of OPEC funds, ent of an advanced version of the Britisb Harrier Jump-jet which would not be io the U.S. despite the Carter Adminisnational interest. tration's bopes of killing the

"No other country discloses project. nearly as much data as does the U.S. in this whole area Mr. Pym said Britain would try to find ways of making it of international capital moveeasier for the Carter Adminis- nients." be said. In general, tration to change its mind on governments and central banks, the advanced AV8B Harrier project, which he said was not ooly those of the oil-producing countries, regard countries, regard important in money to British important in money to British details of their foreign holdings in its world trade next companies and more broadly, as "a private matter" and the USDA said world trade next tional seats awarded on a pro- congressional, Senate, municipal mounting social portional representation basis and Presidential level since need for a proper to heter Alliance co-operation this sightly Reuter from 40 to 100, as a concession 1929, appeared before the elec- is even more vital.

BY OUR WASHINGTON CORRESPONDENT OPEC countries. Mr. Berg-sten said. had shown no signs OPEC HOLDINGS in the U.S., estimated at \$42bn at the end of wanting to disrupt the U.S. financial system. Indeed, their of 1978, still make up a relatively small sbare of total American investments bere foreign investment in the U.S. were likely to grow, as the overall OPEC surplus, which and their possible withdrawal would not threaten the country's economy or financial system, a tnp U.S. Treasury official said fell to only 85bn last year, was likely because of the oil price

some manoeuvre to

yesterday. increases to rise to over \$40bn Mr. Fred Bergsten, assistant tois ver and in 1980. The relative importance of OPEC investments in specific sectors was, however, small at present. Mr. Bergsten said. Oilexporting countries and their citizens accounted for 9 per cent of all foreign holdings of Treasury securities, and only 1.6 per ceot of all boldings of U.S. Treasury debt.

They held around 20 per cent of all foreign investment in U.S. corporate and other securities. but this was only a tiny percentage of lotal investment.

### Rice crop forecast

WASHINGTON-Early season growing conditions bave been generally favourable for the 1979-80 world rice crop, according to the U.S. Department of Agriculture (USDA).

The crop is tentatively forecast at 373.4m tonnes, compared with 373.3m estimated for the 1978-79 season.

FEW MEXICANS are satisfied to the opposition. These 100 tioos to he very nervous at the with the outcome of the seats were divided to give or prospect of losiog votes. The country's July 1 General take a seat, as follows: PAN 40, President may be reformist-Election, which was intended the Communists 18, the PPS 12, minded, but further down the to herald a relaxation of the governing Institutional Revolutionary Party's (PRI) grip on

BY WILLIAM CHISLETT IN MEXICO CITY

Few happy with results

system to reduce the pressures which produce political violence

and to try to involve more

iocrease.

As expected, the party waa returned with an overwhelming majority of the \$00 directlyelected seats in the enlarged Congress. However, the low turnout in the election-less than half the 28m electorate voted-is being interpreted by the opposition as a condemnation of the Government.

when they had a chance to vote The opposition also alleges that the results of hte poll, and the delay in announcing them. for other parties apart from the PRI and those identified with it. has highlighted the fossilisation are evidence of fraud. of the Mexican political system. The results will not be official This is worrying for the

until Aug. 15 when the new electoral college is formally Government. With a population of 67m and tremendous oil constituted. But the formation wealth there is increasing expecof the next Congress is quite tation for a better standard of clear from the results given so living and greater participation far by the Electoral Commission in the political process. and confirmed by the opposition President Jose Lopez Portilln has specifically opened up the parties.

The outgoing government won 296 of the 300 constituency seats. The other four went to the Right-wing Catholic National Action Party (PAN). In the outgoing congress, the PRI held 195 of the 196 constituency seats. Before the election the PRI

portional representation basis and Presidential level since need for a proper parliament

the Authentic Mexican Revolu-tion Party 11, and the Socialist Workers' Party (PST) and the Conservative Mexican Demo-cratic Party (PDM) ninc each. The Authentic Mexican Revolu-bave not changed. In their last TV election spots before polling, the PRI mounted a hysterical attack on any oppo-

sition. Titled "The Day the Opposition Won." the propa-The Communists, PST and PDM were legalised before the ganda film featured extracts from "what bappens in world elections. The abstention figure, which varies regionally from 47 history when the opposition

per cent to 55 per cent, com history when the opposition pares unfavourably with the 38 takes power." per cent in the 1976 elections. These included scenes from The fact that Mexicans Hitler's rise to power and abstained in droves from voting, Allende becoming President of When they had a charge to your Chill. The firm and a bring the Chile. The film ended lyrically with children in a park and the slogan " To continue being free, vote for the PRI."

3

Irooically, Mexico is eager 10 recognise the new provisional government in Nicaragua after the overthrow of Gen. Somoza. But when opposition moves onto home ground, the rules are different

It remaios to he seen whether the new Congress will continue to be a servile rubber stamp at the orders of the immensely powerful executive, or whether it will develop, as the Left will people through democratic insist, into an effective legisla-channels. Over the years, tive body abstentions have shown a big With so many important

issues facing Mexico, not the The Government, which has least of which concern the best increased the number of addi- won almost every election at use of its oil revenue and the tional seats awarded on a pro- congressional, Senatc, municipal mounting social problems, the

# **Ambassador** recalled from Nicaragua

### BY HUGH O'SHAUGHNESSY

Nicaraguan moved swiftly yes- Somoza in Miami last night. terday to frustrate the attempt The three members of the by ex - President Anatasio anti-Somoza provisional govern-Somoza's associate, Sr. Francisco ing council based in Costa Rica Urcuyo, to hold out against fiew to Niesragua from San them by moving np new forces José yesterday. and flying in three members of

anti-Somoza Government, Mr. Pezzulla later left for Panama.

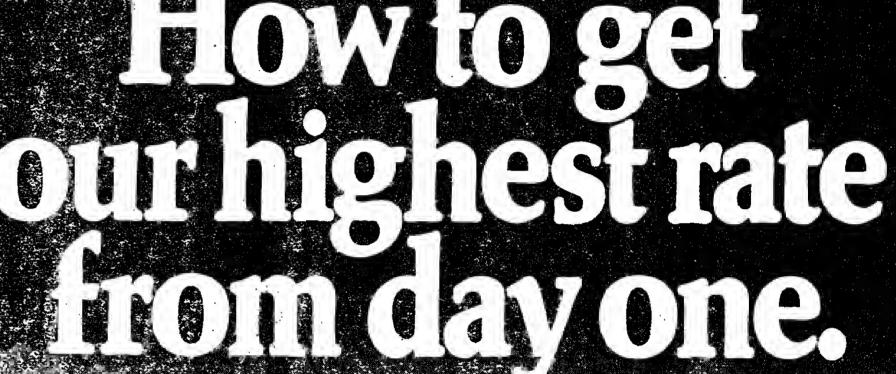
The U.S. State Department had expressed irritation that Government, which noted that Sr. Urcuyo, named provisional last month the Organisation of Sr. Urcuyo, named provisional President of Nicaragua on Tuesday morning after the resignation and departure of Gen, Somoza régime. Somoza, was not handing over power.

Mr."" Warren Christopher, the capital and its international deputy of Mr. Cyrus Vance, airport, still in the hands of U.S. Secretary of State, had the National Guard.

THE ANTI-Somoza forces in urgent talks with ex-President The three members of the

The full five-member council their provisional government, is expected to establish itself Mr. Lawrence Pezzulio, U.S. in the Saninista-controlled city Ambassador to Nicaragua, said of Leon and from there oversee yesterday he had been recalled a final assault on those elements because the U.S. felt the new of the National Guard still Nicaraguan Government bad resisting the Sandhüsta victory. "gone back on" the agreement Yesterday, the Costa Rican to hand over power to the Government recognised it as the legitimate government of Nicaragua. Sr. Urcuyo's action was criticised by the Brazilian American States bad called for an immediate end to the

In Managua and other towns fighting continued with in Voicing its concern, the creased hitterness between the lanariment said that Sr. National Guard and the Sandi-Department said that Sr. instas, who ignored Sr. Urcivo's Urcuyo's action was jeopardis, call to lay down their arms. ing the country's chances of Sandinista columns, were peace and reconciliation. reported to be converging on



power.

# **Bankers** back NY

### BY JOHN WYLES IN NEW YORK

MORE THAN 20 foreign" banks have formed a consortium with New York city and state banks to issue what is in effect a new vote of confidence in the city's financial recovery by agreeing to act as "back up" lender in a \$606m note sale later this year.

There is a twofold significance to the move, which guarantees purchase by the banks of any notes not taken up by the public. Foreign and New York state banks will be participating for the first time in such a back-op agreement since the city's fiscal crisis in 1975 which brought it to the verge of bankruptcy.

Secondly, this will be the first note issue in which the hanks have agreed to act as a long stop without a parallel

involvement of city pension funds.

New Ynrk city's two previnus issues this year, which raised a total nf \$275m and were nversubscribed, were backed by a commitment from just 12 city clearing hnnse banks and the pension funds. Thus the latest agreement

marks a further step in New York's financial rebabilita-tion, although a sharper test will come when the city tries to market tax anticipation notes and a long term bond

Foreign banks participating in the latest agreement include seven Japanese, the in four leading British banks, Lloyds, National Westminster, Barclays and Standard and Chartered, the French hank Credit Industricl et Commercial, and West Germany's Dresdner Bank.

# Kennedy discounts effect of Chappaquidick incident

#### BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

SENATOR Edward Kennedy of Massachusetts has said publicly he does not think his performance at the Chappaquidick incident, the tenth anniversary of which fell vesterday, means be cannot handle the pressures of

the Presidency. In the first in-depth interview on the incident he bas in his actions.

The car which he was driving the small Cape Cod island, leading to the death, presumably by drowning, of his passenger. Miss Mary Jo Kopecbne, a young staff assistant.

If he should run for Presihe acknowledged in the interview, is an issue he would have to confront.

According to a poll conducted last week by the New York. Times and CBS News, 80 per cent of the respondents remembered the incident. But of that for Mr. Kennedy hecause of it.

But this, as the pollsters yesterday. admit, may he illnsory. Chappaquidick has been a secondary issue in contrast to the open battering endured by President Carter over the past couple of years,

A declaration of candidacy would inevitably bring it to the surface

In his interview, Mr. Kennedy said the Chappaquidick affair did not present the same tests be had faced, day in and day out, in his 17 years in the U.S.

He had felt " no hesitancy " in given in five years. Mr. involving himself in major Kennedy said he bad then been national Issues, "aod taking "irrational and irresponsible" stands on many of them." Much atlention has centred on

Mr. Kennedy's amhitions, given had plunged into the waters of. President Carter's political troubles, and the apparently pronounced preference of Democrats for the Senator. Despite numerous efforts to

draft him into next year's primaries, be has insisteddent, then Chappaquidick, as though some say insufficiently strongly-that he does not expect to run next year because Carter's expects Mr. renomination hy the party and

re-election by the nation. • There were probably conspiracies in the assassinations of both President John F. Kennedy figure, only 23 per cent said and Dr. Martin Luther King, the they were "less likely" to vote House Assassinations Committee said in its final report, published

> The committee concluded after 30 months of investigation that neither the Warren Commission nor the FBI adequately explored the possibility of a conspiracy in the deaths

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Minimum £100 to £13, joint name account in m Guaranteed differential above ordinary share ra	ultiples of £100). te:		0.50%	□ 1.00%	 150%	:
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Please send me further details on investing in term shares:

Senate.

The Queen begins her African tour today with a visit to Tanzania. Our correspondent in Dar es Salaam reports.

# Counting the cost of toppling Amin

with four days in Tanzania one exchange support. of the world's 15 poorest countries.

and fresh white road markings nver the next three years, about are heing painted in an attempt £16m would be in the form of down capital.

But Tanzania cannot afford to splash out on the visit. The six-month war to topple Idi Aman's regime in Uganda has all but crippled an already shaky economy. Tanzania's foreign exchange situation is said to he critical and the manpower shortage caused hy the war will only hegin to ease over the next few weeks as the 45.000 or so troops in Tleanda hegin to return home.

Ahout half of them are due to remain hehind for the time being to supervise the training of a new Ugandan army and to maintain security.

A belt-tightening budget has just heen announced for Tanzania withp ublic spending and imports slashed to a minimum to cope with the expenses of the war, which, according to President Julins Nverere, will have cost some £250m in the year to next Octoher.

Western economists estimated that the six months of fighting inflation (lhought to he about which took Tanzanian troops and 20 per ceot for urban wagethat the six months of fighting their Ugandan exile allies over earners hut much less for 1,000 miles to the Sudanese peasants), the cost of the war, reconcile with Forder was costing about serious flooding earlier this massive appetite for foreign aid. 5500,000 a day—half in military year and the spiralling cost of Tanzania is the higgest single expenditure and half jo losses through disruption tn industry and agriculture.

To ease its way through the an attempt at conservation. crisis. Tanzanla has asked donors In 1977, the lest year for investment of its £200m annual aid to which figures are available, the financed.

Among those to respond has beeo Sweden, which ties with cent

Workers are filling in the West Germany as Tanzania's worst of the potholes left by biggest aid donor. The Swedes country's 385,000 square miles fears that have been expressed monsoon rains of Dar es Salaam agreed that out of a £125m grant is classed as arable land under for the Queen's safety in Zambia to brighten up the rather run- untied cash for essential imports. About 90 per cent of the 17.5m President Nyerere's plans to population is in the rural areas. ro the country into a socialist Dr. Nyerere and his Chama turo the country into a socialist

**President Julins Nyerere:** 

"huilding socialism"

state bave not come to a stop but they have heen slowed by

oil imports.

THE QUEEN'S

AFRICACTOUR

TANZANIA

īs

permanent cultivation and much of the remainder is semi-arid.

QUEEN ELIZABETH begins a switch from help tied to specific gross demestic product was Although Dr. Nyerere is two-week African tour today projects to cash for foreign £1.5bn and between 1973 and chairman of the front-line states 1977 there was a GDP constant confronting Zimbabwe Rhodesia price growth rate of 4.5 per and provides military and diplomatic support for the Patriotic

Only 13 per cent of the Front guerrillas, the sort of have not been voiced about her visit to Tanzania.

Although Tanzania provides base training facilities, it is far enough geographically from the conflict to have heen immune, ao far, from attacks by Salisbury

forces. It was a different story in the late 1960s when Dr. Nyerere supported and sheltered Frelimo guerrillas fighting to overthrow the Portuguese colonial adminis tration in neighbouring Mozamhique

Agriculture is the mainstay of the Tanzanian economy and this message will be rubbed home when the Oueen and Duke visit the Kiho coffee estate in the sbadow of Kilimanjaro, Africa's highest mountain, on Saturday. Coffee is the most important export crop, accounting for 40 per cent of earnings. It is followed by cotton at 12 per cent and cloves at 6 per cent.

visit Zanzihar, the spice island, and home of the clove industry. Cha Mapinduzi (revolutionary) Party, the only one allowed A 20-minute flight from Dar es under the constitution, espouses both socialism and self-reliance Salaam, the island monopolises the world clove market and -the latter being hard to cloves account for 70 per cent of its income. Tanzania'a massive appetite for foreign aid.

recipient of Western aid in Driving is banned on Sundays Africa and up to 70 per cent of official as are weekend petrol sales in it; development budget and 50 per cent of the public sector externally

# Bitter feuding in Kampala over Lule's claims

#### BY MICHAEL HOLMAN IN KAMPALA

A BITTER ATTACK on ex- Rugamayo replied: "of course." former president. president Yusufu Lule by senior Ugendan Ministers seems likely and bis supporters of "working to raise tension in the capital, with" (ex-president) Amin and to raise tension in the capital. Kampala, and to mark the end of a period of comparative restraint abont the issue of Mr. Lule's future.

At a hastily summoned press conference late on Tuesday punctuated by the sound of intermittent gunfire which is a featureof Kampala nights, two senior Government members angrily responded to Mr. Lule's claim that he was still the legal President of the country.

Mr. Edward Rugamayo, Chairman of the Uganda National Consultative Council, the ruling coalition of political parties and interest groups, declared that Nairobl earlier on Tuesday. any person assisting the ex- To most observers here.

President

Mr. Lule's power base lies mainly in and around Kampala, Earlier he accused Mr. Lule which is dominated by the 3.6m bis hencomen to form anti-Ugandan forces." Mr. Paul members of the Baganda tribe, Ugandan forces." Mr. Paul the largest single ethnic group Muwanga, the Minister of In- in the 13m population. Many ternal Affairs, claimed that people I spoke to during a 10-there was already "tension " on day stay in Uganda recently the northern border with Sudan, supported Mr. Lule. and were where many of Amin's soldiers tration was preparing the way for the return of Dr. Milton

Vice-President.

1976-1980 GROWTH FOR THE OECD AREA

Projections and likely outcoma

1975

1974

--7.2 0.3

Earliar trends

1974

1973

with Amin sign that the long

bave taken refuge. The country's only daily paper, the Uganda Times, yesterday carried a front-page headline: "Lule joins hands with Amin's benchmen." Though Amin in 1971. quoting extensively from the

press conference, it carried no report of Mr. Lule's condemnation of Tanzanian involvement in Uganda, which he made in To most observers here, the country despite withdrawal of some of their number.

Officials point out they have suspicious that the new Adminis- medicine, treat explanations

with cynicism. Ohote, the man ousted by Idi Their suspicions will have been fanned by Mr. Lule's claim that President Nyerere of Tanzania wanted Dr. Ohote to be the UNLF.

At his public appearances so far, President Godfrey Binaisa, Uganda's Foreign Minister or Baganda resentment is being now attending the Organisation parties. This could well be the fuelled by the Government's of African Unity summit in head of the Janata party and failure to provide any tangible Liberia, has appeared relaxed this explaina why Mr. Desai has

lend her support to Mr. Chavan and nor will the Jana Sangh and the Desai-led Congress faction in the Janata Party. Mr.

Chavan has not yet indicated been in office bardly four whether he will accept the weeks, and they face an acute President's invitation but he shortage of transport. But residents in Kampala, and elsebas long been waiting for a But return to office and can -be where in Uganda, facing sbortexpected to try. ages of basic commodities such Observers believe, however, salt, sugar, cooking oil. that the President is merely carrying out his constitutional

The political picture is further complicated by signs of possible division within the Ugandan army, now in the process of being reformed. and ideological differences within

# Talks continuing on U.S. uranium for S. Africa

### BY QUENTIN PEEL IN JOHANNESBURG

NEGOTIATIONS between Solith well as lowly enriched uranfum lem the Americans can assess Africa and the U.S. for the which will be required by the quite easily," he said supply of highly enriched Knehere nuclear power station The U.S. Department of supply of highly enriched Roeberg nuclear power station uranium, which have been miner construction in the Cape-bogged down nver South It is the highly enriched Africa's refusal to sign the tranium which is controversial, nuclear non-proliferation treaty, as it can be used for the manuare still continuing, Dr. Ample Escure of atomic weapons. Roux, chairman of the Uranium. Dr. Wynand de Villiers, Dr. Rous's successor as chairman of the Atomic Energy Board, dis-Enrichment Corporation, said vesterday.

closed last week that several The decision by the U.S. last December to return the \$400,000 deposit paid by South Africa for the fuel had not meant a breakpuelear research projects had been set hack by the U.S. delay in supplying the highly enriched down in negotiations, be said. fnel for Safari 1. He said the The U.S. was seeking to negoreactor was only functioning at one eighth of capacity. tiate a deal for the supply of requirements, in return for is expanding its own pilot South Africa's accession to the enrichment plant to a produc-treaty.

Glyn Gann

Mr. Y. B. Chavan

Chavan will

try to form

government

By K. K. Sharma in New Delhi

IN A surprise move, the Indian President, Mr. N. Sanjiva Reddy, yesterday asked Mr.

Yashwantrao B. Chavan, leader

Parliamentary Party

But Mr. Chavan can attempt

to form a coalition government in alliance, with like-minded

parties. These include the newly

formed Janata (S) formed hy

defectors from Mr. Desai's party

and now headed by Mr. Charan

However, Mrs. Indira Gandhi

and her Congress (I) will not

ohligations. For the past three

days, ever since Mr. Desai

resigned, be has been holding

consultations with various

political leaders to find out

whether a viable alternative

government is possible. Should Mr. Chavan fail, the

President may look to the leader of one of the large parties. This could well be the head of the Janata party and

house of 542.

tion plant which is intended to Although South Africa post supply South Africa's domestic sessed the technology to pro-requirements, Dr. Roux said dnce its own highly enriched Bowever the fuel is only being uranium, no decision had been enriched to around 3 per cent. made to do so, Dr. Roux said. Any such decision was a political one which could only necessary for nuclear power stations, as opposed to the 93 per cent needed for Safari, although Safari could be be made by the Government. after careful consideration of operated on fuel of somewhat the implications, including the lower enrichment. likely international response Dr. Roux said he

Dr. Roux said he did not need South Africa had ordered to spell out to the U.S. South highly enriched uranium for its Africa's ability or otherwise to research reactor, Safari 1, at produce its own highly enriched Pelindaba, ontside Pretoria, as fuel. "That is a technical prob-

-siel

IL RIS

Financial Times Thursday July 19 1979

Energy has already signed a contract with the South African **Eletcricity Supply Commission** for the supply of enriched pranium for Koeberg. It will be converted into fuel elements by Framatome, the French contractor for Koeberg. First sup plies are due for delivery in 1980.

Dr. -Roux said - South Africahad not considered producing ber own fuel elements, nece sary to convert enriched uranium into fuel- for reactors, It was logical to rely on those who already possessed the technology.

In the longer term, the encapable of supplying the enriched uranium needs of Koeberg and future nuclear power stations planned, by the electricity commission, although none have yet been given the go-ahead. Dr. Roux would not give a

likely completion date for the enrichment plant. However the Koeberg I reactor is expected to come on stream hy early poration will be in a position to supply the enriched fuel.

Perhaps the most important

benefit of the gold boom is that

it could allow the Government

to embark on further expan

sionary spending to counteract

the deflationary effect of the

fuel price rise, which threatens

to bring the recovery of con

sumer spending to a standstill.

creasing pressure to introduce

# Gold price windfall for Pretoria

#### BY OUR JOHANNESBURG CORRESPONDENT

THE SOARING gold price, the present year, it will still be the most important factor in which yesterday went through a vital huffer for South Africa preventing the oil bill, from the \$300 barrier, could add against the high prices it has to ereding South Africa's balance more than R1bn (\$1.18bn) to pay for oil on international spot of payments surplus, although the value of South Africa's ext-markets. The South African predictions of a R3bn trade, ports in the second half of the Chamber of Mines estimates surplus for the year, are hand year. It will also provide the that the value of gold product on first quarter figures which intion this year will top R5bn cluded a 40 per cent cut in bill South African Government with (\$5.9bn) against R3.8bn in 1978, imports. a windfall in mining tax when the average gold pricerevenue. was \$190.

Those are the main effects in Government revenue last year the world's major gold producer: from the gold mines came to state, But most observers R435m and Senator Owen Horbelieve that the gold price is wood, Minister of Finance, bndgeted for R666m in the present financial year. If the new gold price holds. Governwell overdue for a reaction, which could yet set it back-up to 10 per cent.

A \$300 average gold price ment revenue for the second over a full year would add some months of the year could R2hn to the value of gold dot. R300m above the estimate, put. If it holds for the rest of. The rising gold price bas be ment revenue for the second six months of the year could be The Government is under in-The rising gold price bas been such a package.

# **Escalation of Sahara war likely**

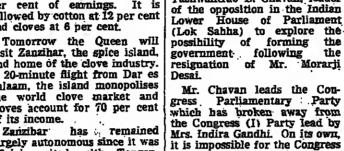
BY OUR RABAT CORRESPONDENT

A SERIOUS escalation of the . In a communique issued in

the Aosario, the French acro- The implication is that the pursuit, Natives of the Sahara formerly raids into an area where the mitted his forces to cross the sahara formerly alds into an area where the mitted his forces to cross the under

conflict over the Western, Rabat and seot to the Organisaconflict over the Western Rabat and seot to the organisa. It will be a form of retailation share is likely as a newly tion of African Unity's summit, for Polisario attacks on Morocca formed Moroccan multita threat conference in Monrovia, the Such attacks have increased it ensy to carry guerrilla wartare Aosario said it plans to "lib- recently despite warnings from a norganisation calling itself ans. The implication of that the murrant will exercise the right of horizon and the murrant is the implication of that the murrant will exercise the right of horizon attacks.

If the threat is carried out it will be a form of retaliation



Zanzibar has remained largely autonomous since it was to form the government since it has only 77 members in a

united with Tanganyika to form Tanzania in 1964. It has a bigher standard of living than the mainland and boasts its own television service.

### THE OECD'S ECONOMIC OUTLOOK

neople of Uganda." Asked if Mr. and what is, in effect, censor- economic reconstruction has combination of problems that he Lule himself—once offered a ship of the news, appear as a begun. Added to this is a grow- faces will present a severe test bouse and Government pension sign of Government concern ing dislike of the 30,000-40,000 of his ability to hold a divided, other contender for the Prime -was therefore an enemy, Mr. about the popularity of the Tanzanian troops still in the war-torn country together.

process of and confident. However, the

refused to quit heavy pressure on him to make way for Mr. Jagiivan Ram, an-Ministership.

Spanisb formed a "people's militia" lo May and now says it will launch armed attacks on the Tindouf area of south-western Algeria.

has its main bases for the war : Polisario force attacked these it has been waging against Moroccan locality of Foun et-Morocco since Spain evacuated Hassan last Saturday and killed the Western Sahara. 11 Moroccans.

# Oil price rise darkens prospects for growth and inflation

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

and unemployment in the main industrialised countries in the next 12 months is presented this morning by the Organisation for Economic Co-operation and Development in its halfyearly Economic Outlook.

The OECD, the Paris hased body covering the 24 leading industrialised countries, warns that the immediate prospect is "rather moderate growth, high inflation and a difficult energy market. Higher growth of output and living standards thereafter-and a sustained reduction of unemploymentdepend crucially on better price performance and effective energy policies. There are prohably no quick solutions to Averaga annual percentage chan GNP/GDP (volume) Gross fixed investment\* these twin problems."

The report concentrates on the blow to earlier hopes of Final year of period sustainable non-inflationary growth caused by the reacceleration of inflation and, in particular, by the sharp rise in oil prices.

The main forecasts were completed in early June before the meeting of oil-producing states in Geneva. The result of that meeting means that the average price that OECD countries pay for imported oil over 1979 as a whole may be about 35 per cent higher than during 1978 compared with a 23 per cent increase assumed in the main forecasts.

On a purely mechanical ruleinflation-as measured by consumer price indices-could he at an annual rate of 10 per cent in the second half of this year for the OECD area as a whole and roughly 9 per cent in the first half of next year.

This is roughly a percentage earnings. point higher than the projections in the main forecast and as measured by gross national compares with an average rate product, is likely to be reduced of 77 per cent in the first half to an annual rate of around 2

per cent last year. However, the OECD warns rate in the main forecasts that if wagea were, as in recent higher and next year's de- this year and of 4.2 per cent in next 12 months on the asump-celeration would be jeopardised. the second half of 1978. How- non that there is no serious

A GLOOMY analysis of the of this year and just uoder 7 per cent over the next 12 Paris ahead of the publication between \$2bn and \$3bn follow-prospects for inflation output per cent last year. head of the economics and sta-This compares with an annual tistics department of OECD, 1979. years, to rise in sympathy, the 'rate for the OECD area of 34 produced an up-to-date assess- Japan is expected to have a inflationary impulse would he per cent in the first half of ment of the prospects for the similar deficit over the next 12 this year and of 4.2 per cent in next 12 months on the asump-

Racent trends and prospects

Prejacted

in 1976

They wer

1980/1975

annual rate) in the first half of

months following near halance in the first half of this year Japanese output is expected to grow at an annual rate of 4 per cent in the second half of this year, rising to hetween 5.5 and 6 per cent in the first half of 1980 as exports to the oilproducing countries increase." The growth rate in France is likely to be between 21 and 23 per cent over the oext 12 Likely months following a rate of 32 outcom per cent in the last six months. Over the next 12 months France is expected to have a small curreot deficit of up to \$1hn., In the UK. total output is expected to decline by 0.75 per cent between the first halves of 1979 and 1980. Ucemployment is projected to rise from around 5.25 per cont at present to 6 ~ 15 to -- 70 per cent by mid-1980. Over the

eriod the UK should be in halance or small surplus on current account. lo addition, Mr. Fay said that total unemployment in the OECD area might rise to betweeo 18m and 19m by mid-1980 compared with 164m last

year. The outlook contains a special aection on oil. This notes that because the short-run elasticities of demand and supply for energy are so low (due in part tn a producers' cartel) the oil price has been moved up so far by a relatively small shortage in global evergy supplies.

The ahort-term assessment indicates that in order to achieve the moderate growth projected

in the forecast and to rebuild stocks to end-1978 levels over the next year, OECD economies must achieve energy conservaof oil demand.

The medium-term outlook to 1985 suggests that growth of per cent a year might just he feasible if the real price of growth. energy does not rise further.

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gramme, would seriously en-

sources, such as the nuclear pro- tive . growth projections for 1975-80 prepared by the OECD danger the prospects of higher . Secretariat in early 1976 with the likely outcome. Thus The special article also dis instead of a projected growth of However, given current energy cusses the aimulated effects of total output of 54 per cent a

SIMULATED EFFECTS ON OECD AREA OF A 10 PER CENT (YEAR-ON-YEAR) INCREASE IN OPEC OIL PRICES

·	Case 1 No sympathetic energy price responses nc wage response	Case 2 Sympathetic energy price responsa no wage responsa Case 3 Sympathetic energy price and waga response response
	1979 1980	1979 1980 1979- 1960
nes		
al domestic demand	-0.4	-0.4 -0.1
orts, goods and sarvices	0.1 0.3	0.2 0.3 0.1 0.2
orts, goods and services	-0.6	-0.5 0 -0.5 0
	-0.3 0	- <u>0.3</u> 0.
income	-U.O	÷−0.6 ÷0.7
al domestic demand	0.7 0	0.5 0.7 0.6 0.4
orts; goods and services	0	0.3 0.1 0.4 0.2
orts, goods and services	1.5	1.8 0.3
P	0	82 d2 0.3
, Sbn orts, goods and sarvices.	0.0	n an she na she bara na Bangaraya an Ariban a ƙwallon ƙasar a ƙwallon An 198 <b>6 A</b> she angala a B <b>angar</b> aya an an an angalar an an angalar a sangarar a sangarar a sangarar a sangarar a
orts, goods and services	8.0 145 16.0 195	16.8 15.5 16.8 16.8 16.8 16.8 16.8 16.8 16.8 16.8
eign balance	-8.0	
••••		

the OECD INTERLINK model? with were parformed using

consumptioo and likely futnre a 10 per cent nil price rise, OPEC supplies, it would appear examining the extent to which that the growth rate of 41 per other energy prices rise in cent a year could not he sympathy with oil prices and the achieved at present relative response of nominal wages to prices without substantial and higher of prices. continued conservation mea-The putlook also looks at other medium term constraints This would involve the imple-

mentation of a wide raoge of conservatioo and pruduction policies adding up to 4m barrels a day of oil equivalent. Even then a change of pelicy hy one of the larger oil producing from tha OECD's indigenous

1. A. 1. A. 1. year in the period the rise ia likely to be 31 per cent. Employment was projected to rise by 11 per cent a year and has risen by 11 per cent, though large part of this was in the

US . Unemployment was projected on-economic growth and notes to increase by 4 per cent a year that recent indicators suggest and has risen by 51 per cent that " the chances of achieving The overall rate of inflation was reasonable price stability and restoring sustainable, growth and fall suployment by the projected at 5 per cent and is likely to have averaged between 8 and 9 per cent middle of the next decade are

OECD Economic Dutionk. The report compares illustra-164 ees "DECD' Peris

-- 5.4 -- 0.4 0.7 5.3 Unemployment rate\* Change in GNP/GDP deflator 11.5 Currant balance (Sbn) - 27.6 0.2 NOTE-The 1576-1950 projecti OECO Secretariat in early 1976 a forecasts but rather as an illus n major OECD countries. The latest round of oil price ever, because of the terms of deterioration in business conrises means that the current trade loss caused by the moveeccount of the balaoce of pay-ments of the OECD is likely ment of relative prices against the industrialised world, real

1973

1960

4.9

to move into substantial deficit income is likely to grow even for the rest of this year, percent a year. haps an annual rale of around \$40bn. rather than \$21bn as in the main forecast and a rate of is some possibility that demand of thumb basis this means that \$10bn in the first half of this уеаг.

The deficit may fall to an annual rate of \$30hn in the first half of 1980 when imports by oil-producing countries rise in response to higher oil

Labour productivity

Employment

The growth of total output,

fidence. Mr. Fay said there was likely

1978

1975

4.2

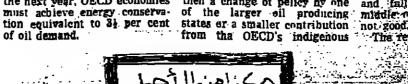
6.0 2.8 1.4

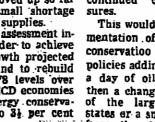
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to be no growth in output in the U.S. over the next 12 more slowly, at around 11 per months as a whole following a 4 per ceot rise in 1978. Unem-ployment in the U.S. is likely to The outlook warns that there rise from just over a! per cent will be even weaker than this at the beginning of this year to 7 per cent by mid-1980. The U.S. current account deficit is because of waning confidence in the private sector, a tightenlikely to be in the annual range ing of macro-economic policy, of \$1abn to \$16bn over the next or a more marked slowdown in the U.S. "Given the size 12 months.

of the recent oil price rise, this West German output is expossibility would seem to be pected to grow at an aonual rate greater. The rise in OECD actiof 3 per cent over the next 12 months and over the same vity over the next year could thus he lower than 3 per cent" period the country is likely to have a current account deficit of At a press conference in







# Jump in imports pushes

# Soviet Union 'to freeze oil exports' Lucas wins

### BY DAVID SATTER IN MOSCOW

Financial Times Timusday July 19 1979

exports at their present level or to reduce them, but rather according to Mr. Hamish Gray, to maintain them at their the British Minister of State for current level

Energy. This would appear to mean The decision will probably that oil shipments to the West, mean further cals in Soviet oil which on the basis of the avail-shipments to the West, as able figures dropped last year deliveries to Concent seem by about 20 per cent. will concertain to rise, but there will tinns to decline. be no cuiback in Soviet ship-The Soviets have pledged ments of heavy under oil to to supply Comecon with 80m Britain, where it is mixed in tonnes of all this year and. refigeries, with oil from the during the first foor months of North Sea. Mr. Gray is in the Soviet tonnes of oil to Gomecon, Union to discuss Anglo Soviet apparently to overcome the fuel cooperation in emergic and he crisis caused by the severe has had talks with leading winter. Soviet energy officials He also. The Soviets have pledged

Soviet energy afficials: He also The Soviets Inity, pledged opened the British oil and gas that shipments of fail and exhibition which runs until cuergy to Confect will increase Friday. by 20 per cent during 1981.85 Mr. Gray was told that the and although some of this in-Soviets do not plan to either crease will undoubtedly take

POLITICAL RISK INSURANCE

THE SOVIET UNION, which increase their total oil exports, the form of deliveries of gas Soviets paid special attention to may face oil shortages for the which are believed to amount and electricity, it is also ex-issued to the short of the well over 160m momes a year, pected to consist in part of production platforms and deliveries of oil.

Mr. Gray was preparing to leave Moscow for Baku, the oil producing centre on the Caspian Sea where he said he expected to be shown the site of the proposed oil rig fabrication yard. for which a British consortium. made up of British Petroleum, Brown and Root and Wimpey

are bidding. Mr. Gray said he was told that there has been progress in the long running negotiations for a contract for the yard which could have a value of abont £70m. He said the Soviets were anxious to make a decision by

the end of the year. In general, the interest shown hy Soviet Ministries in the British exhibits had been grati- set up in the Ministry for the fying and Mr. Gray said the gas industry.

ป้าจากร

The Soviet offshore drilling industry which has been criticised for backwardness and inefficiency in the Soviet press has only produced rigs capable of drilling in 100 metres of water.

companies bave British developed rigs capable of operating in depths of 200 metres and as the Soviets expand their offshore drilling into the deeper waters of the Caspian Sea and begin exploration in the Barents Sea and the Kara Sea, the possibilities for contracts with British companies may increase. Offshore oil exploration is ex-

pected to be an important growth area and a new offshore directorate bas recently been

### Japan to mid-year deficit on Turkish motors deal By Metin Munir in Ankara LUCAS INDUSTRIES of Britain yesterday received

Government authorisation here to make investment in alternators and starter motors manufacture with Turkish nartners.

go-ahead

The project, spearheaded in Tarkey hy Lucas's Istanbulhased distributors, Elektro-Diezel Motor Sanayi ve Ticaret, bas been awaiting Government go-ahead for nearly five years.

CAV. a Locas affiliate, and Eichtro-Diezel are also awaiting authorisation from Turkey on a fuel-injection equipment project.

Under the decree 'which appeared in yesterday's offi-cial gazette, Lucas will hold 31 per cent of equity. It will bring in about £750.000 in capital and about £2m in equipment. Production will start in three years.

Lucas will receive £140.000 for supplying know-how and a 2 per cent royalty calculated on the equity ratio of the local partners. These will in-clude, apart from Elektro-Diezel, large banks, such as the Industrial Development Bank of Turkey and Turkiye Is Bankasi. Another 29 per cent of the shares will he sold to the public.

At full capacity the projected plants will manufacture

of general interest because it authorisation to he made hy

> long time. It coincides with the first signs of recovery in the Turkish economy, which has been in recession since 1977.

officially informed of the decision and when this was received it woold be regarded as a procedural step towards

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO JAPAN RECORDED a current authorities. It now appears half of 1978 to Y559hn (£1.1bn) account deficit during the first likely that Japan may be in during the first balf of this year. half of 1979 following three deficit for the whole of the The slower growth of Japan-years' increasingly large sur- current calendar year and for ese exports this year results. pluses, the Ministry of Finance the 1979 fiscal year, which runs from substantial falls in sales reported yesterday. up to March 31, 1980. This pros- of a number of traditional items

The deficit amounted to \$1.68bn (£746m), and was caused mainly by a sharp fall suggested that Japan would run exports, for example, fell 54 per in the rate of growth of exports a current account surplus of cent below year ago levels. conpled with steeply rising im- \$7.5hn. ports.

Exports during the six months period rose 6 per cent over the sharply rising imports helped port gains included office level of the previous year to produce a narrowing of the machinery, up 16 per cent, and level of the previous year to produce a narrowing of the \$47.3bn while imports rose trade gap between Japan and 35 per cent to \$43.9bn. The the U.S. during the six months resulting trade surplus of 3.4hn from January to June, although was offset by an invisibles deficit the imbalance in Japan-EEC against the dollar and pressures of \$5.04bn in produce the \$1.7bn trade remains almost uncurrent account deficit. changed

The appearance of a deficit on Yen-dominated customs clearcurrent account after two years ance figures for Japan-U.S. trade in which Japan'a surpluses have —dollar figures are not yet in the first six months of this been csusing severe friction available—show the U.S. deficit year compared with the same . with trading partners has been shrinking from Y1.2 trillion 1978 period to a \$3.34bh, Reuter greeted with relief by the (million million) in the first reports from Tokyo.

pect contrasts with the official offset by increases in the sales forecast for fiscal 1979, which of some newer products. Ship

while TV exports were down 15 The steep fall in the rate of per cent and car exports off by . export growth coupled with 6.5 per cent Industries with extspe recorders, up 24 per ccnt. These trends appear to reflect the impact of yen revaluation for export restraint from some.

Western importers. Trade between Japan and China rose hy about 56 per cent

5

# China agrees to textile curbs

BRUSSELS - European Cominitialled an agreement in Peking yesterday to limit Chinese exports of sensitive textile products to the EEC to 40,000 tons a year.

preliminary The accord. approved by the EEC Commission envoys representing all member states except France, must now go to the Ministerial Council meeting in Brussels next week.

It would allow Chipa to export a Commission official said. "The delegation in Peking had the munity and Chinese negotiators 18.000 tons of cotton cloth, the most controversial material considered in the talks.

But France, whose long-time insistence on keeping the figure to 14,000 tons has been holding up sn agreement since early April, maintained its reservations in Peking on increasing the ceiling. will come into force retroac-

"The French did not say no,"

### power to negotiate but not con-clude. Its proposals will go to the Ministerial Conncil next week and the French will probably then indicate if they have changed their position." If the pact, which doubles China's annual exports of the 14 textile products, is accepted it .

tively, perhaps from January 1. AP-DJ

### Singapore-Peking air link Nigerian truck plant completed

### By Paul Lendval in Yienna

STEYR-DAIMLER PUCH, Austris's leading motor company,has completed construction of a truck assembly plant at Banchi, Nigeria, which has been officially opened by Nigerian and Austrian Government and business officials.

The Sch 1.1hn (£33m) plant will have a capacity for produc-tion of 8,000 trucks and 2,000 China on the establishment of a tractors per year. Steyr holds bilateral air agreement under a 40 per cent share of Steyrwhich British Airways would Nigeria. while majority interest of three flights per week using operate scheduled passenger is beld by the Nigerian Governnarrow-bodied aircraft. This and cargo services in Peking ment and other Nigerian in ...

selling it any more," said Mr. of this, it estimates, is heing Joseph DeAllessandro, Presi- written by National Union Fire dent of National Union Fire Insurance, and most of the rest Insurance, a submidiary of the by Lloyd's of London indicating American International Group that political risk insurance is based in New York. He was referring to political risk insurance protection growth is due to the narrow fole against musiness losses due to played by the Overseas Private nationalisation or other political Investment Corporation, the

political risks. Today, Iran has nationalisation, and so: forth. executed such a sharp about Ent OPIC's aim is to foster insurable risk. In the same 12 months, up. ties are inevitably aligned with beavals have swept a new sovernment to power in government to power in Commercial insurers, nn the Afghanistan and beset Nica nther hand, are able to insure ragua and Taiwan with fresh any business they care to; and uncertainties: Meanwhile, China they can put together tailor minimum. has opened its vast but almost made policies to suit most kinds Creepin

risk :

IT like

101

Some risky markets are even uncomfortably close to home: ance has already moved beyond Canadian province of such obvious dangers Quebec being an obvious ex nationalisation into more ample, and the inpanot of all sophisticated fields like contract this is that American companies frustration and creeping exprohave become increasingly sensi- priation. tive to the political dangers of ... foreign trade, and many more, two basic forms, regulitation, have begun to seek insurance, or the imposition of trade bar-

protection. According to the JIS Group, Importing country. a New York insurince broket Mr. Jay Shahro m JLS points which specialises in political out that while most U.S. busia New York insurance broker

the state of the second

"ONLY A year ago, we couldn't written this year will be about purchasing country might do, about his political stability," see any in Iran. Today, every \$30m (£13.3m); double the there is also the danger said an executive at an elec-body, wants it, but we're not amount last year. About \$10m Washington will impose export tronics concern that does a lot that political risk insurance is still a highly specialised field. To some extent, this sharp

U.S. exporters get the jitters

Shah, so no nne worried about ness against the dangers of if it takes out political risk ness relationships, and its activi-

U.S. foreign policy gails. Commercial insurers, nn the

totally unknown market to U.S. of companies, wherever and business. In fact, political risk insur-

> Contract frustration can take riers by either the exporting or

Act Now

A STREET

- ANOTAL ------

risks, the volume of premiums nesses worry mout what the

dent Carter temporarily blocked the export of certain sensitive oil' equipment and computer the costs it can save, items to the Soviet Union. Most companies build contingencies into their hids for contracts to cover these risks. Bnt, as Mr. Shapiro points nut, perils. Last year, no one could Government agency which has a company could well gain a conceive of Iran without the traditionally insured U.S. busi- hidding edge on its competitors

insurance instead. There is no need, he says, to turn that it is in longer an new, rather than existing, busi- insure the whole value of the contract. All that needa to be covered is the portion that is at risk at a particular moment. such as goods delivered but not yet paid for. This way, pre-

miums can he kept to a Creeping expropriation occurs when foreign Governments pile

operating conditions on foreignowned businesses. thereby reducing their value to the owner and forcing him to sell 35 out cheap. Political risk insur- with them. Costs are, however, ance even covers the danger that going down as the market grows. a bost Government will change currency regulations to prevent the repatriation of profits or ance underwriters and brokers

assets. But precisely because political risk insurance is such a sensi- develop political risk insurance, tive husiness, companies taking and bired Mr. Robert Svensk, an it out do not like to discuss it. official at OPIC, to help run it. "We don't-want our customer "It's a bighly sensitive busito think that we have donbts ness," said Mr. Srensk.

there is also the danger said an executive at an elec-Washington will impose export tronics concern that does a lot Controls on their products. This of bosiness abroad. Other comhappened last year when Presi- panies do not want their competitors to know that they take out insurance because of However, Mr. DeAllessandro estimates that "almost all" con-

cerns in the Fortune 100 list of top companies now take out political risk insurance, and he predicts that in five years' time such coverage will become part of the insurance portfolio of every U.S. company doing husinesa abroad

"At the moment, the market is growing just as fast as we want it to," he said.

The cost of insurance varies enormously, depending on the type of goods and the conntries involved, JLS says premiums can range between 1 and 3 per cent of the value of the contract, But National Union Fire keeps a constant watch on world economic and political developments and adjusts rates in line It could be some time, though, before a large number of insurpile into the market. National

Union Fire took three years to

about 100,000 alternators and 185,000 starter motors of various sizes. The Lucas anthorisation is is the first foreign capital the Turkish Government in a

A Lucas spokesman in Birmingham yesterday con-firmed that discussions with the Turkish anthorities had taken place over recent years. and that "the figures reflect

The company had not been

implementation. . . .

BY OUR OWN CORRESPONDENT

SINGAPORE AIRLINES (SIA) bination of passenger and allwill commence twice-weekly cargo services at the option of passenger services to Canton and Peking before the end of

tion of China. A CAAC delegation, led by

Under the agreement, each frequency may comprise a com- and Shanghai out of Hong Kong. | terests.

the sort of arrangement we have in mind."

Mr. Li Shu Fan, its deputy

airline may operate a frequency

The airline is the second in the ASEAN region to disclose firm plans to fly to China. The

SIA has said it will use either this year, following an agree- the Boeing 707 or 727 for its ment signed between SIA and twice weekly services. the Civil Aviation Administra-

first was Philippines Airlines. Mr. Li Shu ran, in Michael Donne and week to negotiate the agree currently in negotistion with

the airlines.

# NORTH OF ENGLAND **DEVELOPMENT COUNCIL**

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# More planning power at district level

#### ANDREW TAYLOR

control powers at the expense procedure. of county councils.

being seen as a compromise excluding London. And similar demands of the two rival Con- sidered servative associations - the Wales. Association of District Councils and the Association of County Councils. The proposals to be included speed the pianning process. I authority

in a Bill later this year do not also expect that they will lead involve any major changes in to a saving of bundreds of local management control of the key authority jobs and several area of higbways and traffic milliona of pounds a year." which will remain largely the He aaid that district councils responsibility of county crun- would have sole responsibility

by the Association of County A aeparate working party Councils which had feared that under the Department of Transmuch more of their powers, Including management of highways and traffic, might he given traffic management.

of district councila.

will no longer bave the right to He said there was particular question district council need for improving the operadistrict

trict councils greater planning stage of the planning appeals The proposals would apply to

But the moves last night were all local authorities in England. to the competing measures are now being conhy Mr. Nicholas controlled local Edwards, Secretary of State for

He aaid that district councils

development controls which will that there should be urgent conbecome-barring one or two sultations between tha local exceptions — the responsibility authorities to discuss "ways of operating the system with In addition county couocils greater efficiency and economy." He said there was particular

THE GOVERNMENT yesterday decisions on planning applica- tion of agency agreements by announced measures to give dis- tions which will remove this which district authorities take

cils. The measures announced by for planning applications for Mr. Tom King, Minister for Local Government, were received with undisguised relief by the Account of County o port is to compila a code of practice covering bighway and

to district councils. Mr. King said he bad decided to leave respossibility for this area with county councils, but

over responsibility for certain areas of highway maintenance and transport planning. Mr. King also announced new

proposals for concurrent planning powars sbared by district and county councils. He said that counties would relinquish their powers over advertiscment control and notices for areas like building preservation and

wasteland maintenance. Neither of the two rival local authority associations were prepared to rock the boat last night. The Association of County Coun-cila was clearly relieved that more of its more important powers had not heen stripped. Dame Elizabeth Coker chair-

man of the ACC welcomed the measures and Mr. John Grugeon, chairman of the ACC's policy committee, said be strongly supported the decision not to Interere with bighway management. The Association of District Councils was also taking a soft line on the Government measures although it had clearly

hoped for more. Mr. Ian McCallum, newly appointed chairman of the ADC, aald he welcomed the measures on planning as a first step. He

was, however, disappointed with the decision to leave highway management with county coun-

Number of

credit users

By David Churchill,

than doubled.

the 1969 survey.)

# **CBI** welcomes aid measures

**UK NEWS** 

BY JOHN ELLIOTT, INDUSTRIAL EDITOR-

CONFEDERATION of THE the general tenor of criticism issues. voiced by industry on Tuesday nigbt.

Sir John Methven, CBI director general, said after a meeting of the CBI council, that his members thought the Covernment had "managed pretty well " and bad met many of the points they had asked for:

Mr. Tom Boardman, president of the Chambers of Commerce. said it was accepted that in-dustry could not be excluded from the cost of paying for taxation cuts. His members alao believed that "the decision to reduce aid would encourage a more realistic approach to investment."

On Tuesday . night Sir John had dwelt mainly on the CBI's concern that ald was being removad hefore company profit-ability recovered. Yesterday, ability recovered. after listening to industrialists at bia council meeting expressing concern about bow bls remarks had heen reported, he modified his stance.

He listed seven points of British Industry and the Asso detail that he said had only ciation of Chambers of Com- become apparent after detailed merce yesterday said that the examination of the Govern-Government's regional aid ment's statement. They made measures deserved a favourable it clear that the CBI's represenreception. This contrasted with tations had been met on several

> These included industrial development certificates, the avoidance of new sectorial aid for industry, the omission of restrictions on regional aid any for individual industries such as chemicals and dil, the raising of project thresholds only from £100 and £1,000 to £500 and £5,000, the tightening of various aid criteria, the maintenance of special assistance for inward investment and phasing of the cuts through to 1982-83. Faced as the Government was with the prohlem of cutting

public expenditure, the .CBI council members had made it clear that they thought Ministers were "walking a tight-rope" between cutting taxes and holding the levels of public expenditure. The council also discussed the

coming pay round and industrialists stressed that they would have to go through It with a strong pound and without a pay freeze or pay norms.

#### THE EXODUS of highly paid; executives from the UK may be reversed because the income tax cuts which have restored pay differentials to the levels of the early 1970s, according to a said vey published yesterday.

BY MAURICE SAMUELSON

directors and top managers in-332 engineering, oil, metals and chemicals companies. Mr. Tony Vernon-Harcourt director of Keyser Ullman's re unmeration services, said the because of the tax cuts people were more ready to accept pro motion. It would also now be easier for companies to bring hack senior staff enjoying lower: tax rates oversees.

Tax cuts hal also reduced the relative attractiveness of some fringe benefits. Only very few of the companies surveyed offered tax allowable tailoring schemes, boats or help with

school fees, although travelling season tickets, especially in the Sonth East, were more accept, able for the lower panel Because of the cuts net incomes bad increased by il per casb increase would be f4.432, cent for those earnings £15,000 33 pre cent of net pay. Where a year (a rise of £1,038), and by as much as 80 per cent is rise of £20,363) for those early

SOME TOP SALARIES Mr. Norman Castle 171,672 5.& W Berisford Mr. Robert Hai,

director, Shell Transport & Trading - £216,779 The survey covers salaries of SLord Grade, chairman, Associated

Tax cuts could bring top

earners back to UK

2210.428 ications Commu Sir Arthur Bryan, chairman, managing director, Wedgwo £138,887 Mr. F. Y. Waller.

\*/122,269 Adwest Group Mr. C. C. Pococ chairman, Shell

Trading and Transport £109,634 Sir David Steel, £105,804 British Petroleum

The present year, Mr. Waller will be paid only £55,000 of what he is entitled in his contract. Source: Keyser Uliman

In 1978-79, proomtion from £20,000 to £30,000 meant a cash increment of £2,145, about 19 par cent of net pay. Now, the casb increase would be £4,432, a company's cash remuneration levels are too low executive mobility could well increase.

Ing ±100,000. This had further strained the tion, the survey shows that the differentials between some numbers of directors on £10,000 levels. It would now no imger a year rose by 5 per cent (com-be easy for a better benefits pared with 4 per cent last year), package to oridge the difference while the number of staff below. after tax between £20,000 and Board level who earn £10,000 £30,000. has risen by 91 per cent. Reflecting the impact of infla-

At higher levels, the survey finds surprisingly little advantage in pay for a company chairman who is also chief executive over a chief executive who reports to a part time chairman. The average difference is only 10 per cent.

-p0

Remuneration for part fime-chairmen party, reflects the amount of time spent on com-pany business. A typical com-pany with a turnover of between about f5m and f15m will pay £7,000 a year, and a company with more than £200m turnover

£20,000 a year. Many smaller companies pay as well as their larger counter-parts, a trend highlighted in the first Keyser Ulfmann survey pub-

first Keyser Ulinam survey pub-lished last year. Nationalised companies con-tinue to pay far less than private concerns. The chairman of British Petroleum and Shell each each more than £105.000 a year and the chairman of Esso £71,000. Lord Rearton, chairan of the British National Oil,

Corporation, is centilled to draw, 550,000. a year. These figures predate the Government's recent increases nevertheless, Keyser Ullmans, III (100 says, the differentials are suby-Mantial." stantial."

tion in Brigineering and Metals. JCTO Git and Chemicals, and Indus trial Holding Companies, Reyser Ulimann Remunactions, Reyser Top Management Rem Ulimann Remuneration Services 98 pages; £25.

# New Year upturn signs deceptive

### BY DAVID FREUD

EARLIER SIGNS economic upturn at the beginning of next year now appears to bave been deceptive.

Official figures designed by the Central Statistical Office to register future turning points In the economy have come into line with Treasury projections of sluggish growth in the next year.

composite index of The looger-leading indicators, almed at indicating turning points about a year in advance, fell in June.

The figure reflects the recent upward movement ol short-term interest rates and a drop in the FT-Actuaries 500 index, the only two indicators available so

far to make up the index. Inclusion of housing starts for May for the first time converts the slight rise recorded for that month into a slight fall.

Inclusion of additional indicators has also reduced the gain future activity. in the index In March and April. This means that in retrospect

nf an decline since October, 1977. Officiala helieve that the fluctuation was partly hecause of the unusual economic pattern of the first half of the year, with the industrial disruption of the winter followed by catching-up and bunching of activity in the spring.

These factors are helieved to he the main reason for the continued rise in the index of shorter-leading indicators, which looks forward about five months. This indicator rose steadily in the three months to May. In the

latest two months the rise was due to only two indicators, those for consumer credit and new car registrations, both of which have risen sharply.

Officials think that apart from the bunching effect, these two indicators have been influenced by pre-Budget huying. This means that behaviour of consumers is not a good pointer to

their rights and obligations when buying on credit. They were also unaware of the costs of different types of credit and Furthermore, the inclusion of the remaining three indicators how these costs compared with the cash price. Almost half the

# association ends

#### BY CHRISTINE MOR

doubles LORD GRADE and Mr. Laurie Marsh have reached the end of their association only a mer Affairs Corresp few months after the agreed MORE people are using credit facilities, and there Is a corresbld hy Lord Grade's Asso-ciated Communications Corpooding high level of consumer poration for Mr. Marsh's ignorance about costs and Classic cinema chain and prestatutory rights, according to a survey published yesterday by the Office of Fair Trading. perty development company. Mr. Marsh, who became ACC's single largest share-The survey found that the bolder under the take-over, number of aduits using credit facilities in the 1970s bas more "has been asked to relin-quish " all his posts in ACC and his former company, Intereuropean Property Hold-By 1977, 54 per cent of people over 18-totalliog 21m-were using credit, compared with only 22\_per cent in 1969\_\_\_\_\_ ings, it was anounced yesterday.

In February, when ACC offered £12.8m for Inter-enropean, hoth parties talked enthnsiastically of the joiot Much of the increase is due to greater use of established forms of credit-such as mail order, bank loana, and over-drafts-hut there has also been bencfits expected from the deal. ACC was pleased to be huying ioto the Classic chain, rapid increase in new forms of credit such as credit cards but, more importantly, it wanted to participate in Mr. Marsh's £10m scheme for an and store budget accounts. (There were not included in entertainment compies be-Consumers often did not know hind Piccadlliy Circus.

. Named Eros, it is planned to include a 100-seat cinema, restaurants, a Las Vegas-style cabaret, and other leisure

The scheme will now go ahead without Mr. Marsh, wbo pieced the site together and won the planning permission. "Incompatibility between the former management style of Intereuropean and that of ACC as a larger and more structured organisation" is given as the reason.

Mr. Marsh is one of the more flamhoyant survivors of the property sector's recession during the mid-1970s. Initially a film producer, he built up the Classic cinema chain in the early 1970s, only to he seduced by the attractions of

to sell Classic but the deal fell through and this proved the company's salvation when the property deals, particularly in Europe, turned sour.

The apex of his achieve-ment was the merger with ACC, which offered the chance for further expansion of Classic coupled with leisure developments, plns the promise of a Board seat at

EEC plans to subsidise island ferry routes

BY OUR SCOTTISH CORRESPONDENT

EXPORT INDUSTRIES which would be complete before the are island-based, such as Harris Tweed, knitwear, whisky, and sheep meat production could benefit substantially from a proposal now before the Euro-

pean Commission to subsidise shipping charges. 14.31 The Commission is examining the feasibility of introducing Road Equivalent Tariff (RET), a system of subsidies which would effectively reduce freight rates now paid by island indus-tries and residents to the level

end of the year. At the moment, Caledontan Macbrayne, the nationalised ferry company, which serves the lates off the West coast of Scol land, is subsidised by the Government to 13.7m a year Even so, it was announced mis, week that in response to oil price increases it would have to raise charges by an average 11 per cent for passengers and 10 per cent for freight. The proposal to introduce the new system was led by Scottish members of the old indirectly-elected European Parlingent 10% FOR

Including Mr. Russell Johnston (Liberal), Mrs. Winnle Ewing, (Scottish National Party), and Mr. John Carrie (Conservative) who was the rapporteur on the

ext

they would pay if they were connected by road to the mainland. The Government is committed to moving towards the introduction of RET, and Mr. George. Younger, Secretary of State for Scotland, said this week he old Parliament's regional and boped a review of ferry charges transport committee.

ITV takes 52%

# repairers: ecretary.

property development. At one stage he attempted

**Grade and Marsh** Shipyard jobsfor 300 pledged THERE WOULD be 380 new jobs in Falmonth in three months if British Shipbuilders agreed to sell its Cornish repair yard to Bristol Channel Ship-

This undertaking was, given yesterday by Mr. Chirstopher Bailey, chairman of Bristol Channel, in a telegram to Sir Keith Joseph, the Industry

Bristol Channel's repair yards

were operating to capacity and the company could easily find business for the larger dry dock

# at Falmouth.

TELEVISION viewing figure for June show that LUV audience share wis 52 per cent whereas the BBC1 share was 37 per cent and that for BBC2 was

11 per cent, claims Jictar. Steel stockholders' group claims

small temporary in the shorter-leading index is upward fluctuation in these two expected to reduca the extent of months within an overall the rise.

# GLC staff plan protest against housing cuts

#### FINANCIAL TIMES REPORTER

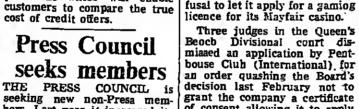
GREATER LONDON Council ally wiped out by the council's employeea have heen asked by decision. their staff association to lobby Tbe CLC bas said that It the next council meeting to waits to concentsate. Its protest at the GLC's decision recurrent is areas of most to restrict its future iousing need. The GLC housing programme to Docklands, development committee is now Thameamead and a few bouses In Covent Carden. considering the future of pro-tects being built in areaa out-

association said that the house association said that the house It is also to decide what to non-Press membership to 18, huilding programme—already do with surplus land—on which equal to the number nominated reduced from 6,000 homes a it had planned to build houses by publishers' and journalists' year to 2,000-would be virtu- -outside these three areaa. | organizations.

Tha architects department side Thamesmead, Docklanda committee of the GLC staff and Covent Garden. It is also to decide what to

number of people using credit facilities did not know the total price they were paying, and just over one-third did not know what the goods would have cost them in casb. The survey will be used as-a "beoch mark" against which to measure the effects of provi-

over casino licence sions of the Consumer Credit Act which have yet to be brought ioto force. These in-clude the "truth in lending" THE PENTHOUSE Club failed club said later it might appeal yesterday in the Higb Court to against the High Court decision. overturn the Gaming Board's refusal to let it apply for a gamiog began on Tuesday Penthouse provisions which will enable



grant the company a certificate of consent allowing it to apply hers. Last year it increased its for a licence.

Beoch Divisional conrt dis-miaaed an application by Pent-allegedly associated with the bouse Club (International) for club. It also complained that an order quashing the Board's the board had raised the questhe board had raised the ques-tion of the loss of a licence hy decision last February not to

**Penthouse loses case** 

the club in 1971 when it was under different proprietorship. But Mr. Justice Woolf said that the company's complaints The club had alleged It bad indicated neither unfairness nor

been treated unfairly hy the board. A apokesman for the the appearance of unfairness.

# record 40% of UK market

BY ROY HODSON

A RECORD SHARE of almost 40 per cent of the British steel market is heing claimed hy the steel stockholders belonging to the National Association of Steel Stockholders.

of NASS have gained ground: during the past winter and expect to raise their total market sbare by some 2 per complained that the Board bad raised, without sufficient notice, ceot for the year.

The policy of the National Association of Steel Stock-bolders is to buy British-made mattera relating to named persteel wherever possible. Officials claim that the percentage of Britisb Steel In their sales has risen during the last year.

. The stockholders' share of the British steel market has risen

quantities of imported steel British stockholding industry to handled by the stockholders the Davignon plan and the bave risen from under im refusal of the stockholding tounes a year to nearly 3m industry to ally itself to what tonnes a year. Stockholders believe that the "opportunistic traders."

The 300 member companies public and private steelmaking - Extensive rationalisation and sectors present policy of relying modernisation programmes are on fewer and larger integrated now being implemented by the steelworks depending for effici- Community steel producers. A steelworks depending for emci- Community steel producers, ency of long production runs, new appraisal by the National should result in a further Association of Steel Stock increase in the steel stock holders concludes that these holders market share. holders' market share. NASS is campaigning to share for British and Continental persuade the Government to steel stockholders to rise to recognise that their industry, even bigher levels handling nearly balf of Britain's. The most important new con-

handling nearly oan of Bruan's The most important new con-steel supplies, should be repre-tribution to steel industry fore-sented on the National Economic casting from NASS is the Development Council iron and statement that "the four-year-steel working party. old steel industry recession may from 18 per cent in 1965 to the steel working party. present level of about 40 per The working party has wel-have hecome the established cent. During that period, the comed the backing given by the norm."

**Carriage clock fetches** 

£48,000 at Christie's

BEN WRIGHT REPORTS THE OPEN GOLF CHAMPIONSHIP AT LYTHAM Longmuir's 65 makes him first-day hero

THE 10STH OPEN found a freshing first-day bero in Bill Longmuir, a 26-year-old Scotsman, born in Basildon, Essex, wbo scored a marvellous 65, six under par, hefore midday. The North-west wind was alwaya troublesome, particularly on the inward balf.

Longmuir'a round equalled the course record in an Open Championship at this under-rated course. It equalled the Open outward balf record of 29. The Scot had never broken 30 hefore. He putted like a magician on perfcct greens, taking 13 putts on his outward half and t14 coming home.

Longmuir, the son of a Scottish professional footballer, did not come on to the tour until 1976. Since then he has struggled to make ends meet.

Before coming on the tur he drove a furniture lorry for six months. His first trip abroad was financed by winnings in two contests at discotheques in Essex. A friend wbo owned a club awarded Longmuir the title of Mr. Basildon and then the Scot progressed to Southendon-Sea to win the title of Mr. Tots at a night club called the Talk of the South.

On this occasion Longmuir was followed by Jerry Pate, was required to give a golf former U.S. Open champion, on lesson to Miss Fiona Richmond, 69. Defending champion Jack the actress, and the £300 prize Nicklaus bad a hole in one with On this occasion Longmuir money enabled him to make a his five iron at the 212 yards trip to Africa on which he won fifth hole, and reached the turn go eight under par. At the the Nigerian Open, while a in 32, three under par. But he revolutioo was in progress in fell foul of the more difficult that country.



BILL LONCMUTR His 65 equalled record

Longmuir won a minor tour-nament in New Zealand the same year, but bas won nothing since, his best performance being third in the 1978 Belgian Open.

Longmuir's round was three sbots better than that of Hale Irwin, U.S. Open champion, who

5

scored 72.

Longmuir, 42nd in the European order of merit, qualified for the championabip for only for the championable tor only the second time in five attempts a plateau green in a cross-wind have paid a king's ransou-with rounds of 67 and 69 at from left to right, and Long-especially perhaps Gary Player Lytham Green Drive on Friday muir bit a lovely three-iron and his son Wayne, who took and Saturday. Shot 4 feet from the hole for same distance.

He admitted he bad not been playing well after two practice rounds here, and bis 65 came Now all the hard work had to as a very welcome surprise. The fireworks started at the third bole, which was the first of five consecutive hirdies. Long-muir boled from eight feet be-hind the stick after a fine six iron sbot downwind to the

green at this 458 yard par 4. He then hit his best shot of the day, a two iron shot into the teeth of the wind at the 393 yards par 4 fourth. The hall again finished eight feet from the hole and down went

the putt. Longmuir holed a snake from 40 feet for a two at the fifth. blundered his way down the

BRISTOL has been a major right-hand side of the sixth but holed out from 18 feet for a birdie. Downwind to the 551 yards seventh, he required only the 13th century, so its dockside provides an appropriate seta four iron to reach the centre of the green with his second ting for the second wine fair that opens tomorrow until shot, and only just missed the 20 foot putt for an eagle three. Saturday week. The eighth passed in a par

4.four, then Longmuir birdied three of the next four boles to sbort ninth a marvellous nineiron shot left him with a aeven inward half, taking 40 shots. His foot putt for his hirdie. He

countryman Ben Crenshaw also holed from eight feet at the with a courageous 18 ft putt. next after a similarly splendid Irwin's score was made pos-six-iron sbot. The 201 yard 12th sible hy an inward half of 33 hole presents one of the shots, three under par, for toughest shots on the course to which many a player would a plateau green in a cross-wind have paid a king's ransom—

same distance. Pate told me how desperately

he done, and Longmuir was anxious be is to redeem himself equal to the task. A stroke in this country after a succesequal to the tan. got away from bim at the 14th which be played very untidily, but at the 465 yards 15th-directly into the wind-he saved a potential disaster with a 20 foot putt for a five, thus the stroke. He was rather ragged when in-

not reach the gren with two spiration left him yesterday but coni wood shots, but saved his par is in a splendid frame of mind. £2,900.

### **Bonds** top £35,000 THE COLLECTORS' craze of.

terday when sales at a Stanley Gibbons auction topped £35,000,

Cibhons offered 325 lots estiwhen two 1908-dated Imperial Mannheimer, the Swiss dealer. Chinese Government loans A virtual pair realised £5,200 to signed by tha Hong Kong- in 1971 Shangbal Bank, estimated to Particular £1,000 each

f Snangoal Bank, estimated to Partidge Fine Art paid sell at £200, realised nearly £32,000 for a grande sonnerie f1,000 each. Cbinese honds proved ex-tremely popular with collectors. and Dolphin Antiques of The nigbest price paid was Lotidop £11,000 for an early 18th £3,100 for a Chinese Govern-ment Vickers Treasury bill issued in 1919 ,and estimated. at £500. A similar 1918 Marconi Treasury bill sold for

huying defunct bonds and share SOME GOOD PRICES were certificates reached a peak yes paid in London salerooms yesterday. At Christie's a silver cased grande sonnerie striking carriage clock of around 1900, made by Nicole Netlson of Sobo

centry astronomical ebony bracher close by Joseph William-son. A Japanese drum dock went to Howard, the American dealer for #3,500. The sale of closes to #3,500. The sale of

D

At Sothehy's two panels painted by William Blake were sold to Agnew for £51,000. Winter, measuring 35 by 12 inches, fetched £30,000; Evening, £21,000. They were intended for the fireplace of Yaxham Rectory,

### SALEROOM

BY ANTONY THORNCROFT

Norfolk, the home of the Rev. John Johnson, and were sold Testerday by his descendants. They were for some years on loan to the Tate Gallery.

The highest price in the auc-The highest price in the auc-tion of English pictures was the P4S.060 from Baskett and Day. the London dealers, for one of only two surviving landscape, studies by Stubbs-Newmarket Heath with the Rubbing Down House; painted around 1764.85

At Phillips a gold lacquer and Shibayana cabinet was bought-by a Japanese dealer for £4.800, while an ivory mounted lacquer and Shibayama two fold screen realised £2,700 in a pot lids sale are difficely to exhaust the visit a rare Sover's Relish vase of for's initial, though thereafter triangular sections sold for.

A major, arts and antiques exhibition is to take place at Somerset House in November under the sponsorship of the Trust House Forte Group. B timity for the small, indepen will compensate for the Gross dent refailers, often from the venor House Antigites Pair-can-f country, to attract, a wider celled because of an industrial public.

### All ship-shape for Bristol wine fair BY EDMUND PENNING-ROWSELL

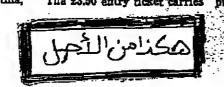
wine port since the days of 2,000 wines will be available for the Lebanon. King John at the beginning of tasting at Bristol.

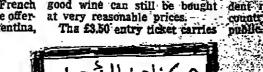
As the fair is a trade show, as well as a public display, it

ing wine from 28 countries on potential growth. For alongside 160 stands, this palate-numbing the capacious Italian pavilion display demonstrates the and the terraces of the French immense variety of wine pro-duced throughout the world. ing the produce of Argentina,

There are claims that about Brazil, Catalonia, Turkey and with it's tasting glass and ten

youchers for free tasting, which. Although there are rarities dlpslayed with suitable reverence-such aa a line of 19ththey may buy by the glass. A 2700 notable omission are spittoens. A n While haportant foreign ship- exhibit century vintages of Lafite on pers and leading British wine companies are well represented, public palate and its purse. The 100,000 visitors expected are: 100,000 visitors expected are the fair also gives an oppor-likely to go away re-assured that tunity for the small, indepen-good wine can still be bought dent retailers, often from the





also shows the importance that Christie's stand - the emphasis

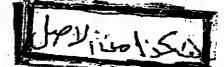
growers and merchants in the throughout is on moderately

Considerably larger than last wine-producing countries place priced wine likely to delight the year, with 400 exhibitors offer- on the British market and its public palate and its purse. The

Financial Times Ehursday July 19 1979

# **UK NEWS**

cent.



# Airport go-ahead 'vital next year'

BY MICHAEL DONNE AEROSPACE CORRESPONDENT

would be crucial for Luminn's all traffic. Heathrow would be operating at its naringin capacity of 30m passengers a year, and the time seeded to develop a third key airport meant that even given a go shead mert year, it could not be ready until 1987. meant

Mr. Paynke; speaking at ress conference, said that in 1978-79, the authority exmed a pre-lar profit of £29 4m, its 18th successive profit, with an over-all rise in paffic of 14 per cent in the year to the end of last

He said that even taking into used Heathrow and an increase account recent oil-price class is certain in the present gear

Laboratory opened

BY MICHAEL DONNE, MEROSPACE CORRESPONDENT A GOVERNMENT decising on the third London mithed a essential next year if the dir-ports system in South-East choged by the noid to late 1980s. Mr. Norman Payne, Chamman of the British Airports Attiving a slowly than originally expected. Mr. Norman Payne, Chamman of the British Airports Attiving a slowly than originally expected. Mr. Norman Payne, Chamman of the British Airports Attiving a slowly than originally expected. Mr. Norman Payne, Chamman of the British Airports Attiving a slowly than originally expected. Mr. Norman Payne, Chamman of the British Airports Attiving a slowly than originally expected. Som passengers a year by 1985. Before then book would be belyeen at tratic. Heatmow would the planned second the mid 1980s would be belyeen this autom. Mr. Payne said that next year would be crucial for London's at tratic. Heatmow would the planned second the mid 1980s would be belyeen at tratic. Heatmow would the planned second the mid 1980s would be belyeen at tratic. Heatmow would the planned second the mid 1980s would be belyeen at tratic. Heatmow would the planned second the mid 1980s would be belyeen at tratic. Heatmow would the planned second trating for a form at tratic. Heatmow would the planned second trating for a form at tratic. Heatmow would the planned second trating for a form at tratic. Heatmow would the mid 1980s would be belyeen at tratic. Heatmow would the tratice and the planned second trating for a detrict. Commenting on the apperating at its mating for London's at tratic. Heatmow would the tratice and the planned second trating for a detrict. Commenting on the anytherid line planned second trating for a detrict. Commenting on the authority financial results in. the world's best airports. Commenting on the authority financial results in.

Before next year, the authority wanted clearance to build a state authority wanted clearance set. Payne and that although profit build a fourth passenger set. Payne and that although profit minal at Heatbrow, for present on commercial operations such it, the airport's already covers as duty-free shops, car parks congestion would become in and trading concessions rose tolerable. by 24.6 per cent to £42m, traf-

Last year 25.6m passengers

authority's financial results in. the year to end-March, Mr.

The authority believes that fic operations, including landing transfers by some animas to and aircraft parking fees, re-Catwick, south of London, is, sulted in a loss of £11.4m. essential if congestion at Heath One reason for the latter was row is to be relieved. deliberately beld down, in spite of inflation. Landing fees were

Buildings

tax plea

Mr. Norman Payne

an average of 6 per cent, considerably less than the current indation rate.

Total income of the authority. at £162.2m, was np by 29.7 per cent, but part of that reflected the aviation security fund, which the authority collects on bebalf of the Government, and which inflated the income figure raised only last April 1, by artificially. "True growth (in

rates income) therefore is 17 per Ray Perman, Scottish Corres-

Scottisb airports run by the British Airports Authority (Edinburgh, Glasgow, Prestwick and Aberdeen) lost £7.8m last year, although their traffic increased. The annual report of the Scottish · Airports · Authority, published yesterday, shows that the number of passengers using

tha four airports rose by 18 per cent to 4.9m people in 1978-79. The amount of cargo handled also rose by 19 per cent but the operating loss rose by £1.3m from the £6.5m lost in 1977-78. Mr. Bill Gregson, deputy chairman of the anthority, responsible for Scotland, said

that it had been decided to apply in the Department of Trade for permission to increase landing charges by 15 per cent from November 1 and a further amount from April.

The losses stem from increases in local authority rates, wage costs, and the exten-sive modernisation programme that has expanded the capacity of the Scottish airports abead of the rise in traffic.

freeze welcomed By Michael Carsell

BUILDING SOCIETIES have taken a sensible medlum-term decision by raising the investors' ordinary, share rate to 8% per cent and delaying any increase in the mortgage Williams, chief general manager of the Nationwide Building Society.

sale, hire-purchase, exchange, or them as well. Mr. Williams, who is also for work and materials. chairman of the Building Soelties Association, said yesterday that the # per cent increase in the investors' rate "just possibly might not be enough principle a new to restore a large inflow of money." But be thought that, over a six-month period, the structure should be more than tion of the proposal is likely to be considerably delayed sufficient to ensure a good inbecause the commission is

flow." Mr. Williams, who was precarrying out further research senting the six-month results into the Sale of Gooda Act requirements concerning quality for his society in London, hoped that interest rates in the economy generally would start linked to durability. to fall by the autumn and would The commission's main recommendation, for clarificabe substantially lower by the year-end. tion of consumers' rights in

### Commitments

The higher interest rates for investors should enable the societies to keep lending at about the same rate achieved so far this year. someone buys bath taps from a hardware shop and fits them himself, he will usually be able. his statutory rights under the Sale of Goods Act, 1893; to claim For most of 1979, societies bave been lending about £700m a month although the figure moved heyond £750m in May compensation or his money back from the retailer. and June, and monthly mortgage commitments bave now

risen to over £770m. If the Government's policies for controlling inflation proved successful, house buyers could

receipts rose by £162m (23 per

cent) in £861m with net receipts reaching £287m, a 15.7 per cent increase on the same period a year, earlier.

per cent during the first six months in £377m, althnugh rising house prices meant that the number of loans-at 30,264was 9 per cent down on the first six months of 1978.

# Mortgage Move to clarify consumer rights

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

rights should be the same goods, exchanges them for other

PROPOSALS FOR clarifying the law is not clear as to the the laws governing consumers' consumer's rights. rights when buying defective goods were put forward yester-that wherever ownership of

day by the Law Commission. goods is transferred, the sup-plier's obligations should be In a report on the implied terms in contracts for supplying the same. It argues that it goods, the commission recomshould make no difference that the consumers' whether the supplier sells the

The commission recommends that those rights should be clearly laid down by statute. Recommended

The commission also recom The commission favours in mends legislation to ensure that statutory the customer's rights are obligation on suppliers to supply broadly the same, whatever the goods that are reasonably type of transaction, and that durable. However, implementathose rights are clear and

goods (barter) or works on

certain However, the commission has decided against recommending a new statutory obligation on suppliers to keep spare parts available and to supply servic-ing facilities. The commission believes that it is more practicable for that area to be subject to voluntary codes of practice agreed between manufacturers and the Office of Fair Trading.

define that " grey " area of law. Mrs. Sally Oppenheim. At present, for example, if Minister for Consumer Affairs said yesterday that she was considering the Law Commission's pronosals. If adopted, if there is a defect, to rely on they would mean a significant extension to the statutory rights of consumers.

The Law Commission: Implied But if that person employs Terms in Contracts for the a plumber to supply and fit the Supply of Goods, HC No. 142, taps, then, if there is a fault, Stationery Office, £2.50.

Call to help elderly with heating

### BY RAY DAFTER

GREATER GOVERNMENT help before we again find ourselves for the ciderly who could face in the midst of a cold. and for pensioners, a dangerous winter." home beating problems this winter is called for in a Comsald Mr. George Foulkes. Labour mons motion tabled by an all-MP for South Ayrshire and party group of MPs. principal sponsor of the motion.

At the same time North West Gas Consumers' Council yester-It calls on the Government to review the system of fuel allow-ances and urges the formation day called for an emergency fund to help victims of gas of a scheme to help the elderly explosions. It should be established without reference to any question of liability, the council

"This is just the first step to urge the Government to act now sald.

Council in its annual report. Mrs. Jennifer Jenkins, chair-man, called on businesses to bring old buildings back into use and asked the Government to consider tax incentives to help achieve this. She said the anomaly wherehy VAT is payable on repairs, but not on new building militates against much

to do in conservation and bous ing rehabilitation.

Securities which

quoted on a recognised security

market are also excluded itam

the general permissions now

are no

lation to capital taxation and VAT, to help the repair and hrokers restoration of historic buildings, benefit says the Historic Buildings could

that the Government is trying

In the eight months since the **Government** introduced grants to assist maintenance and repair of churches in use, more than 450 applications were received. The first year's allocation of £350.000 was distributed to 65

BY OUR ENERGY EDITOR tax structure, particularly in re-HOARE GOVETT the stock- as German brown coal, would say Britain would become increasingly viable. substantially if the A guaranteed price for energy European Economic Community establish a Common Energy Policy, The firm suggests in a dis-

woold belp ensure the development of energy projects which were at present noly marginally viable. In furn the revenue raised by the tariff could finance

cussion paper that under a CEP the development of community a tariff could be placed on energy sources, conservation energy imports. This would be measures and research and progressively raised so that development of alternative indigenous energy sources, such energy sources.

	EC ENERG	RESERVES		
	Annual	Reserves*	Years of life	UK reservest
Oil (bn barrels)	4.0	17.0	4-5	90%
Gas (bn cubic metres)	192	3,012	16	24%
Hard coal (m tonnes)	284	82,000	- 290	55%
* Reserves are based on † As a percentage of Con	what is bei	ieved to be		
			Source:	Hoars Govett

**Common Energy Policy** 

'would benefit Britain'

look forward to more loans being available, in the coming months, be added. Nationwide assets rose by £313m (9; per cent) to £3.61bm in the first balf of 1979. Gross

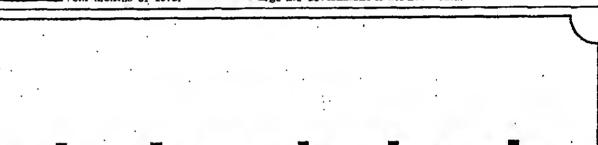
mends

whether his contract is one of

goods, which are closely

supply of goods, is intended to

Mortgage advances rose by insulate their bomes.



in exchange controls

#### for micro-research CHANGES are needed in the BY DAVID HSHLOCK, SCIENCE EDITOR BRITISH UNIVERSITIES now ments at a cost of £320,000-half have access to a national labora- the cost of the new laboratory. tory comparable with anything It will work in barness with four "centres of excellence" the

the U.S. or Japanese industries can offer for research on silicon Science Research Council his selected from among 44 British universities with engineering chips and the design of micro-This laboratory, part of the departments. Science Research Council's These are

Ans laboratory, part of the departments. Science Research Council's These are the universities of Rutherford Laboratory near Did Edinburgh and Southampton, rot, was opened yesterday by which will specialise in the pro-science in the last Government. field, which will specialise in The-laboratory is equipped alternatives to silicon, the fill with a machine said to be cap-with several hundred times as implantation to make incre-many "components" as can be packed into present-day thips.

DECISION FOR 'COMPLETE FREEDOM OF CHOICE'

Chancellor details changes

packed into present day chips. This machine-called the has already identified five broad microfabricator-has been pur- areas which it believes are rice chased from Cambridge Instru- for more university research

leaffrey Howe, the Chancellor. In a Commons written answer Sir Geoffrey revealed his deciati sion "to allow complete free-

tom of choice in the financing of ontward direct investment ind a series of "significant steps towards liberalising outward portfolio investment."

This is in line with the Govermment's intention, stated -inbe June 12 Budget speech, "to take further steps, as circumstances allowed, in the progressive dismantling of exchange control." Several changes affecting direct investment and individual capital transactions were amounced in the Budget.

The answer says that:

From today official exchange will be available without limit. for all outward direct invest-ments; and foreign currency borrowing taken at any tune to Inance such investments eligible for repayment with official Exchange

In portfolio investment, also rom today, official exchange sill be available for investment. by UK residents in most securi-ties denominated, and payable solely in the currencies of other

EEC countries. Second, official exchange will be available for investment in oreign currency, securities ssued by international organi-ations of which the UK is a nember, including those issued y European Community instituions and the World Bank. One consequence will be that he sale proceeds of existing and ew holdings of such securities, owever acquired, will no longer

e eligible for sale in the investment currency market; Third, foreign currency borowing taken by UK residents to nance outward portfolio investlent and which has been outtanding at least one year as of day will be repayable with fficial exchange. As in the case last month's measures, these hanges were discussed with ie Commission of the European ommunities.

A relatively minor change is sing made\_affecting outward prtfolio investment. UK resi. Development (World Bank). proceeds of which have hitherin States will be purchasable with id in be surrendered for official exchange. erling at the official rate) are w permitted, to re-invest e proceeds of sale of such restricted securities ? In any

her foreign currency securi-The background to yesterday's through subsidiaries. anges is that exchange conils are maintained under the

III A FURTHER big step in phased reimbursed from a Treasury UK. elexation of exchange controls Vote (Eigm for 1979-80). A Se vas announced yesterday by Sir humber at control functions are devolved to authorised banks (now about 270) and authorised depositaries (about '40.000, including banks, stockbrokers and solicitors).

### £5m 'ration' Outward direct investment

Among the measures announced on June 12, a general annual "ration."" of £5m of nfficial exchange per project was intro-duced. This was expected to cover the needs of most inves-tors (perhaps about 90 per cent of all cases). The main effect of yesterday's announcement. was that there would now be complete freedom to choose the

way in which outward direct investment was financed. Applications to make outward direct investments (i.e., outside the scheduled territories of UK, Channel Islands, Isle of Man, Republic of Ireland and Gibraltar) will still have to he

made to the Bank Outward portfulio investment in making official exchange available for purchase of certain kinds of foreign currency security, the changes represent the first significant stage in relaxation of controls on out-

ward portfolio investent. (Two relatively small changes were ganounced on June 12.) Official exchange has nnt hitherto normally been avail-able to purchase foreign currency securities. Investment in foreign currency securities other than those for which official exchange is now available will still, in general, have to be financed with investment currency, paying the premium, or with foreign currency

borrowing. The international institutions referred to earlier are the EEC; European Investment Bank; European European Coal and Steel Community: European Atomic Energy Commission: Council of Europe; Asian Development: Bank Caribbean Development Bank: Inter-American Development Bank; and International Bank for Reconstruction and Most securities denominated

The main exceptions are units

funds, and securities of companies whose principal business ls portfolin investment in securities, either direct or

These are excluded because otherwise UK institutions, such a need for further expansion in change Control Act 1947, as the unit trusts, would be put manufacturing to help create sed on the Defence (Finance) at an unfair disadvantage com more well-paid employment for gulations 1939. The controls pared with their counterparts the whole year. It also conadministered by the Bank in other member States, where, siders there is a reasonably England as agents of the in many cases, controls on diversified mix of industry on outward portfolio, investment the island with the expansion The Bank's expenses are are less restrictive than in the of technology.

given, but: this is because, in the absence of any recognised market price, their purchase with official exchange might provide apportunities evasion of the remaining controls. Transactions in such securities have to be authorised individually by the Bank of England

The category of "restricted securities" is fairly small. It comprises a number nf kinds of foreign currency security, none of which can be sold with the benefit of the investment currency premium. It includes for example, securities acquired by UK residents from non-residents' sources by way of gift, distribution under a will,

EBC obligations-The relaxations, laken together, represent a further substantial move toward meeting in full the UK's obligations on capital move ments under the EEC Treaty. In the extent necessary, the remaining restrictions are covered by the Commission's authorisation under Article 108 of the Treaty.

Effect on balance of payients. The effect of the relaxations on the balance of payments cannot be predicted at all precisely.

This will depend on the extent to which the new facilities are used and thus partly on confidence in sterling. Some onthow on capital account may be expected which would not otherwise have taken place. In due course, any capital outflow should be offset by an improvement is the current account.

### Plan to attract Manxmen back

### to Isle of Man

THE ISLE OF MAN Govern ment, faced with a shortage of skilled people for both the commercial and manufacturing sectors of the economy, is concurities classified as the and solely payable in cur sidering a scheme to attract ricted securities." (the sale rencies of other EEC member Manunen who have left the vacant skilled posts

The scheme was proposed by in unit trusts, shares in mutual the island's industrial advisory council whose latest report shows there is a shortage of skilled labour which is hamper ing industrial and commercial expansion.

The council believes there is

# **Bayerische Landesbank Update**:

 Balance Sheet Total reaches DM 66.2 billion Loan Volume expands • Increased Emphasis on Export Finance 
Growing International Commercial Business Extended Foreign Exchange Activity 
Opening of Full-Service Branch in London

### Highlights from our Subsidiary and Participations

Bayemlux: Balance Sheet Total up 16% to DM 5.97 billion Deutsch-Skandinavische Bank (50% holding): Balance Sheet Total up 32% to DM 1.36 billion

Asien-Pazifik-Bank (50% holding): Total Business Expands over 30%

### Highlights from the Balance Sheet as at December 31st, 78

ASSETS	n DM million)	LIABILITIES	(in DM million)
Cash	967.8	Due to banks	15,843.9
Bills	467.3	Other creditors	.6,744.1
Due from banks	13,963.5	Outstanding debentures	26,688.1
Treasury bills and other securit	ies 4,366.2	Loans on a trust basis	
Due from customers	30,965.9	at third-party risk	7,291.9
Loans on a trust basis		Provisions	308.4
at third-party risk	7,291.9	Nominal capital	600.0
Trade investments	448.4	Declared reserves	1,187.0
Land and buildings	274,5	Profit .	- 54.0
Other assets	1,098.2	Other liabilities	1,333.8
Assets of Landesbausparkass (Building and Loan Association		Liabilities of Landesbauspa (Building and Loan Associa	
TOTAL	66,206.7	TOTAL	66,206.7

Bayerische Landesbank

### International Banking with Bavarian Drive and Friendliness

Central Office: Brenner Strasse 20, 8000 München 2, Tel.: (89) 2171-1. Branch: London, Tel.: 638571. Subsidiary: Bayerischu Cardesbank Internet Golder 20, 6000 minutes, 147 531-1. Representative Offices: Teromo, Tel.: 862-8840: Vienne, Tel.: 66 3141/ Cardesbank Internetourg, Tel.: 855 1613. Affiliates: Deutsch: Skandinavische Bank AG, Franklunt, Tel.: 204 71; Asien-Paziki: Bank AG, strung, Tel.: 8581613. Affiliates: De mburn, Tel.: \$22891; Asien-Pazifik Merchant Financo Limited, Hong Kong, Tel.: 5-263241.

# LABOUR

# PAUL TAYLOR DISCUSSES THE ROYAL COMMISSION'S REPORT **Challenges facing the NHS**

THE LONG-AWAITED report from the Royal Commission on the National Health Service represents a bold but commonsense approach to the major problems and challenges facing the NHS.

**UK NEWS** 

Some of the 117 recommendations made by the 16-man commission chaired by Sir Alec Merrison will, if implemented, bring fundamental changes to the internal financing arrangements and structure of the NHS. However, throughout the 500page report the emphasis is on improving efficiency and pro-viding a better service for patients.

Although it is carefully worded and studiously avoids the political dogma contained in some of the 2,460 written submissions considered by the commission, the report confronts many of the controversial areas of health policy and is likely to generate a political storm in the wake of some of its recommendations.

Government will be politically embarrassed by some recommendations: in particular the decision to advocate the gradual but complete extinction of charges"; a major hospital building programme over the next 15 years; which will inevitably involve additional public expenditure: and the rejection of insurance funding.

However, the Government will also find much that is accept-able within the report, particularly on internal financing arrangements, the recommendations for slimming down the bureaucratic structure and on industrial relations.

### Costings

weakness in the report—and one which the commission maintains was inevitable—is the failure to provide detailed costings for the recommendations.

The commission broadly Almost 90 per cent of NHS accepts that the NHS is short costs was funded through of funds and argues that while general taxation and while the commission broadly of funds and argues that whila there is room for improvements in the use of resources there is also a need for additional rescurces to be devoted to the health service as the national income grows.

While stating that if its recommendations were adopted charge increases announced in this would "add significantly to the Budget last month charges NHS expenditure," the commis-sion adds that these additional resources would be justified hy the benefits which would flow from them.

Vietnamese Boat People

MR. PATRICK JENKIN Social Services Secretary

Much of the Government'a aftention and particularly that of Mr. Patrick Jenkin, Health Services Secretary, will un-doubtedly be focused on the pronouncements on NHS financing but as the commission says it has only been able to make "the most rudimentary estimates" of the cost of its proposals. implementation of some may be delayed or others snelved.

On bow the NHS should be financed, the commission says it "not convinced" that the claimed advantages of insurance finance or substantial increases in revenue from charges." would outweigh their undoubted disadvantages in terms of equity and administrative costs."

Expenditure on the NHS in 1978-79 was about £8.1bn-or Perbaps the most glaring £140 for every person in the Over 94 per cent was UK. revenue expenditure with only abont £460m spent on bospital building and other capital development.

commission states categorically that "It is for Government to decide how the NHS should he funded." it makes a strong case for retaining the present system. Similarly the commission says that before the prescription

raised about £125m a year or about 1.6 per ceot of NHS costs. Higher prescription charges, says the commission, "could well discourage patients from

"irrational structure of the charges" there is a good case for a phased withdrawal of all charges. On the distribution of NHS resources the commission says that although the system has become "fairer" since the founding of the NHS " there is

seeking belp when they really needed it," and that because of

still some way to go." The formula used for distributing resources determined by the Resource Allocation Working Party must be open to public scrutiny and be the subject of informed debate. It recommends that a select committee on the NHS be set up to examine "health ministers, civil servants and expert witnesses."

### Accountability

To improve accountability the commission suggests that formal. responsibility for the day-to-day provision of services

should be given to the regional bealth authorities—the second tier in the administrative structhat the private sector was too small to make a significant im-pact on the NHS, except locally and temporarily." This stateture immediately below the Department of Health and Social Security. Aa axpected it also recomsuggest that private bealth care expenditure in the UK in 1976

mends that the administrative structure be simplified by abolishing, in most instances, one of the two lower administrative tiers-a process to be com-pleted within two years.

Although advocating a flexible " reappraisal of the structure, in most instances this would probably result in the abolition of intermediate area authorities standing health between the regions and the bottom tier-the district bealth authorities. This suggestion will

meet with general approval from the Government as will the proposal that bealth departments should encourage experiments with budgeting and, in particular, allow bealth authori-ties to bald over balances made through savings from one year to another.

Perbaps more surprising is to specifically avoid recommend-ing the continued abolition of the commission's decision to recommend the abolition of the pay beds-this would be in family practitioner committees direct contrast to the Govern--the hodies which administer ment's current policy-it does the contracts and terms of serargue that pay beds are undervice of family doctors, dentists, priced. opticians and pharmacists-with the bealth authorities assuming their functions. This would allow a more integrated and set to reflect the full cost of providing the facilities for private medicine in the NHS, the report says the present method of determining charges direct control of primary health

care financing. The findings on the relation-

vata practice will inevitably be should be increased to cover the one of the most controversial full interest and depreciation sections of the report although cost of the capital investment the commission appears to go involved. out of its way to play down the significance of the growing private medicare sector. all hospital patients and a wider £8.

role for the Health Services Board providing it with extra powers to oversee all private hospital developments.

On industrial relations the commission states: "We are in no doubt that industrial relations in the NES are in need of improvement. "At local level adequate machinery and staff are "often lacking." and urgent action is needed. Although ruling out no-strike agreements as a way to improve industrial relations, the report recom-mends a major TUC review of the machinery. The major recommendation made on the provision of ser vices by the NHS is that the Government should find extra funds to permit a more rapid replacement programme for hospital buildings over the next

15 years and that "they should stick to their plans." More funds are also needed to improve primary health care, particularly in the declining inner city areas, and the Government is urged to state cate-gorically that no mental illness engineers hospitals will be closed unless there are specific reasons for ment is based on figures which closure.

Charges.

should be more prominently publicised by opticians; that chemists should be encouraged

Among recommendations specifically affecting family and that a compulsory retirego to arbitration.

fluoride in all water

The commission concludes that improvements can be made deal.

Royal Commission on the sion of common waiting lists to National Health Service: HMSO

# Some employers fear impact of union reform

### BY CHRISTIAN TYLER, LABOUR EDITOR

to be reinforced by the THEs, own reaction to the proposed for loosening the closed shop and restricting the immunity from civil action in the codits enjoyed by trade minnar. from Civil action in the codifis enloyed by inade minus. Vestarday the TUC's employ-ment policy and organisation committee unaringinaty approved a defailed reply apple Government's working magni-in what one union leader spir

Power

settle

for  $23\frac{1}{2}\%^{\ddagger}$ 

SOME EMPLOYERS are pri-was a "very angry" mood. the wider change propos vately expressing concern that The Government said the would virtually remove the rig the Government's preposed picketing proposals, which the tot strike from many worke trade union reforms will not Government bad claimed were CBI efficials are consulti help their own industrial that directed only at "secondary" their members for a full tions. They may also provereine industrial action, would have response to the plana. T tant to use the courts and they profound implications for first Engineering Employers' Fede-tant to use the courts and they profound implications for first Engineering Employers' Fede-tersisation is introduced. The closed shop proposals will prepare its case next we the Government's plans is likely would make it very difficult to when it is expected to you to be reinforced by the THESS establish effective new closed considerable doubts of its ov establish effective new closed shops, and could encourage breakaway organisations and lead to unstable bargaining

Secretary, that legal changes -should be restricted to "secon-dary picketing," and not deal with other indirect action such as blacking. The TUC claims many employers

Unles the Government dro some of the more far reach proposals during its discussion lead to unstable pargaining induces and unions arrangements. The CBI has already told talks which the TUC committ for James Prior, Employment is recommending should control to the second state a campaine should face a campaine sh of Industrial Relations Act p portions by the unions, r forfeit, the co-operation

# **Clearing banks drav** near pay settlement for clerical staffs

### BY NICK GARNETT, LABOUR STAFF

THE ENGLISH clearing banks took a further step yesteriay towards a final, if untidy. settlement with their 200,000 clerical, computer and manag-erial staffs with Lloyds making. a higher offer in total than mediation proposals already made at the Midland.

The Lloyds offer was accepted vesterday by the bank's staff. association, the largest repre-sentative body in the bank, and will almost certainly be agreed

Mr. John Lyons, the associa tion's general secretary said the settlement bad come out reason **ITV** faces ably well. He repeated the need to maintain his mentions differentials. black-out

> as talks fail INDEPENDENT Television is threatened with a: total black-out next week after talks with broadcasting unions on a new national wage deal broke down yester-

day. Electricians at TTV have threatened to go na strike on Monday after their union-Telecommunication -and Plumbing Union - rejected an offer of around 9 per cent "across the board " for all

staff. The National Association. of Theatre, Television and Kine Employees, another

by the executive of the Bar ing. Insurance and -Finan Union next week. Nztional Westminster, W liams and Glyn's and Barila are virtually certain to foll Lloyds. This would leave M land, where negotiators for the heating union and the Assoc tion of Scientific, Technical Managerial Staffs have alreit accepted mediation pay not sals, subject in bailot TAS the mediation proposition Midland are inferior to for Midland are interior to Lloyds affer for higher or staff, these two unious will pressing Midland to match's settlement in Lloyds. The Lloyds offer is the sy as the Midland proposals grades 1 to 4 clerical stat 15 per cent new money salaries, consolidation of 24 cents of an avicting. 5 per cent of an existing 5 per c cent of an existing 5 per c productivity payment; with remaining 21 per cent paid an annual bonus. Unlike the Midland j posals, however, which first the same offer to all staff. Linyds offer ferails 179 cent, rather than 151 per e

The deal would run for months until April and we be worth an extra £600 f

union in pay falls, is under-stood to be plaining a workto-rule from Monday. The broadcasting unions improvements in differents were asking for a 35 per cent Barelays and National W increase but it is believed minster also have staff assi-that this figure has now been tions seeking wideaed differ cut to abont 20 per cent.

new...money for staff.

senior cashier, for example \\\\ ; \\ The Lloyds proposals b been conditioned by the s

ence of a staff association which has a much hi



near deal

for 6,000

By Philip Bassett, Labour Staff

THE POST OFFICE is close to

clinching a pay deal for 6,000

telecommunications staff which

could lead to the end of indus-

trial action which has stopped

all computer-processed tele-phone bills since early April.

Talks with the Society of Civil and Public Servants have

now reached a final stage, and

the union's executive appeara to

be moving rapidly towards accepting a deal which will give rises of up to 20 per cent for

A deal would be likely to be

The executive of the Civil and Public Services' Association— some of whose 37,000 Post Office

members have .held selective strikes and halted the computer-

processed bills-ia likely to meet

early next week to ratify a

settlement based on a similar

The commission also urges that charges for NHS items

By Gareth Griffiths, Lafour Staff

A THREE-STAGE 23 per cent pay settlement for 27.60 power engineers who confinit the country's electricity and were announced yesterday by the Electricity Council and the Electricit Power Engineers Aspection to act up shop in health cantres; and that there should be stronger controls over the advertising of food and drink which could lead to "undesirable dietary babits." Association.

abortions, over half of which are undertaken privately, and doctors, the report suggests It therefore recommends that the NHS should set a target that doctors' deputising services for performing about 75 per should be kept under close review; that doctors should be given an approved or limited cent of abortions nver tha next few years. The NHS could also list of drugs for prescription:

make improvements in the pro-vision of facilities for the ment age should be introduced for GPs. While the commission appears Wider safeguards for patients

councils is recommended and, on wider matters, making seat belts compulsory, and introducing

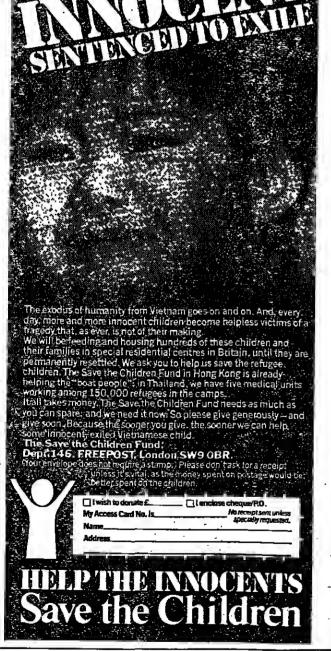
in the NHS hut there is much of which "we can all be proud." The service compares well with bealth services overseas. and the recommendations, if adopted, "will make the NHS more suited to caring for the health of the nation now and

A 12 per cent payment is to be backdated to February 1, another eight per cent to be paid from September 1, and 33, per cent from November 1. The rest of the union's claim, ranging from 32 per cent to 40 per cent to restore differentiais; will

through atrengthening the powers of the community bealth

Unions representing: 96,000 manual workers. in the electricity union have said they want the same level of microse supplies. as offered to the power engineers. They have been offered a two-stage 16 perfcent

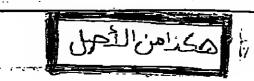
in the future."-- -



### **GESTETNER HOLDINGS LIMITED**

The Directors today declared an interim dividend in respect of the financial period ending 3rd November 1979 of 10% payable on 7th September 1979 to dividend shareholders registered at the close of business on 10th August. Capital shares will be allocated on 24th August to capital shareholders and despatched on 21st September. Holders of bearer stock should lodge Coupons 108 with Barclays Bank Limited (Securities Services Department), 54 Lombard Street, London EC3P 3AH. Dividend shareholders should lodge three clear days before 7th September for dividend. Capital shareholders should lodge (with allotment instructions) on or after 7th September for new capital shares.

Tottenham, N17 18th July, 1979 👘



J. A. BARNETT,

Secretary.

### director suspended

### By Christopher Parkes

MR. GEORGE MORLEY has agreed to his suspension from the board of the Harris division of FMC-Britain's hlggest meat slaughtering and distribution husiness - because of a possible conflict of interest over his leading a bid to save a Scottisb bacon factory from closure.

Mr. Morley is prepared to back the rescue attempt for Lawson of Dyce, a Unilever curing works scheduled to close this year, with an undisclosed personal investment. He is asking Aberdeensbire farmers and co-operatives to contribute film.

Unilever bas agreed to post-pone the closure until Novem-ber to give the proposed consortium time to raise the necessary funds. the Act.

If they succeed in taking over Lawson, the rescuers plan to modernise the plant, bring it up to EEC standards and save as many as possible of the 600 jobs at risk .

Mr. Morley is director of processed foods in the FMC Harria division. FMC, controlled by the National Farmers' Union Development Trust, produces about 26 per cent of Britisb bacon

Relief road plan 'subject to normal process'

THE GREATER London Council bas decided not to seek special Parliamentary powers to speed up the planning process for building the five-and-a-half-mile Docklands southern relief road.

cent he reduced. Mr. Alan Greengross, chairman of the council's planniog and communications pollcy com-mittee says the road plan would which the council has right of be subject to the normal plansold-should be lengthened. ning procedures, including a public inquiry if necessary.

The council considers the the council considers the £130m road—to run from Bermondsey to Woolwich— fundamental to its docklands strategy. The London boroughs of Tower Hamlets and Southwark object to the road in principle and feel it will blight university. jobs and housing.

The Association of County Councils said some students were being deprived of their Mr. Greengross saya that if the building of the road were to be frustrated the council would full grant entitlement because have to reconsider its entire their parents will not disclose commitment to the dockland their salaries on grant application forms.

'hampers industry'

### FINANCIAL TIMES REPORTER

PROFESSOR MERRISON

Commission chairman

It says: "It was clear to us

was between £134m and £200m,

representing about 3 per cent of the total expenditure on bealth care in that year. Nevertheless

the commission states that the

private sector probably responds more quickly than the NHS to

patients' demands for services

and therefore provides a useful

NHS is lacking.

elderly.

pointer to areas in which the

This is particularly true of

Although pay bed charges are

BRITISH INDUSTRY is suffer-ing from increased manufactur- appointment of trade union BRITISH INDUSTRY is suffering and design costs because of members as safety representathe 1974 Health and Safety at Work Act.

However, accident rates have nnt fallen to a significant degree lssue. since the Act's introduction Som according to a survey of 100 manufacturing companies by The Engineer magazine

### Higher pay

The survey shows that more tions than 60 per cent of the com-panies experienced increased production costs, while 50 per cent spent more on product design because of the burden the Act places on factory man-

agers and designers. In addition, more than 25 per cent claimed that productivity bad dropped because of safety requirements laid down under

tives-which became effective last October-will turn safety into an industrial relations Some companies believe that union safety representatives will use their new powers to press for higher pay for mem-

bers in dangerons jobs rather than improve working condi-The only impact mande by the

some grades. appointment of safety representatives so far haa beeo an increase in the number of minor put to the unlon's Post Office mambers for consultation before complaints and more frequent final acceptance early next visits by factory inspectors. month.

The offer provides for basic rate increases of 9 per cent, One positive effect of the Act bas been a alight improvement in industrial relations reported with 5-7 per cent for grade reby 33 per cent of companies structuring, 2 per cent for productivity, 21 per cent for changing their settlemant date and other smaller improvecompared with 10 per cent claiming worsening relations.

ments.

offer.

### Shelter urges revision of council house sales FINANCIAL TIMES REPORTER

SHELTER, the organization for A Shelter official said Caradon the homeless, yesterday called on the Government to rethink its council house sales policy, which it says is facing growing oppositioo from local councillors opposition from local connections of all parties. The group said that over 40 years the cost of the Govern-ment's sales target could be £30n—which would have to be mat by targets at a safety of the safety of the

from the sale of former council bouses as boliday bomes. Shelter said mass sale of couocil bomes would lead to the

best properties being soldmet by taxpayers, ratepayers and council tenants. Sbelter's report Facts on reduciog traosfer opportunities for young families or those dis-abled wbo were "trapped in Council House Sales recom-

It adds that the pronosed five policy will be unable to meet year redemption period—during their statutory bousing obligafirst refusal if the house is re- in slums, much less house any-

1

doursels Children the

which, has a much has representation among set staff including sub-manage and managers than the bank union and has been sees tions seeking widened differ DTEMB

## British Rail Jacks £20m for pay consolidation'

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL warned yester union ASLEF, said be did BRITISH RAIL warned yester union ASLEF, said be did day that this year's £103m pay trust the Government settlement bad taken its finances members bad bean cau to "the absolute brink" and before by the imposition of i that it could not meet union controls and they were de-claims for consolidation which mined if should not hap would cost a further £20m-again.

Consolidations conside: The rail unions were present-ing their claim to the Raliway Staff National Tribunal for condesirable by both the board s the unions to retain and recrstaff and to fucrease the ea. solidation of the remaining £4 of a £6 supplement from Stage One of the last government's series af pay controls.

stan and to increase the ea-ings of the many staff work long and nnsocial bours, sh and overtime. Mr. Slo Weighell, gene secretary of the National Un-ef Railwaynen; said if the bou could not afford to pay it wou have to tell the Government if The first £2 was consolidated into basic rates as part of this year's pay settlement. The Board has offered to consolidate the remainder as part of next year's settlement. have to tell the Government if : DEF the railway system would f-further and further into deca

But the unions are pressing for early consolidation because of a 1976 agreement on the issue Mr. Cliff Rose, BR bos But the unions are pressing Mr. Cliff Rose, BR box for early consolidation because member for industrial relatio of a 1976 agreement on the issue said the industry had to we and because of the uncertainty within tight manched di over the next round under the plines. He said: "There is conservative Government, way within the board's pow-Mr. Ray Buckton, general of meeting the further f2 secretary of the train drivers' which would be involved."

abled who were "trapped in tower blocks." Sales would mean that bouse-holds on coincil waiting lists would bare to wait lenger for decent homes and that "in some parts councils adopting this policy will be unable to meet their statutory bousing obliga-tions to the boneless and those in slums, much less house any-one from the waiting list." **OVER GRANTS** Students are entitled to a grant of up to 51,455 as from the London area or 11,245 ou-side London. But if they do not provide the salar or 11,245 ou-side London. But if they do not nord the incident, hut that this cast scale are mainting and that the company's management is subscale London. But if they do not provide the salar or 11,245 ou-side London. But if they do not provide the salar or 11,245 ou-side London area or 11,245 ou-stats can be made. Miss Sue Edwards, grants officer for the National Union of Students, backed the ACC. "It's a real problem," she aaid. A. House

4.36.9

# Parents blamed over grants

COY PARENTS were blamed for depriving their children of Governmeot-financed university and college grants and threatening their chance to go to

District Council, an Indepen-dent-controlled authority in Cornwall, bad recommended that the period be increased to 15 years, to prevent large profits. However, increases for some CPSA grades under the offer could disturb relativities with members of the Post Office Engineering Union

tower blocks."

Electrolux gets equal pay order BY GARETH GRIFFITHS, LABOUR STAFF mends that local authorities Sales would mean that bouse-should sell properties only to holds on council waitiog lists sitting tenants, and that pro-posed discounts of up to 50 per decent bomes and that "in some

Financial Times Thursday July 19 1979

# **UK NEWS\_PARLIAMENT and POLITICS**

UK to take 10,000 more refugees

### BY PHILIP RAWSTORNE

BRITAIN is to accept another 10,000 Vietnamese refugees for settlement, Lord Carrington, Foreign Secretary, told the Lords yesterday.

The Government would also contribute a further 55m from the overseas and programme to help deal with the refugee prob-lem in South-East Asia over the next year he said

The Government's response to the crisis was generally wel-comed in both the Lords and in the Commons.

But Mr. Enoch Powell caused uproar in the Commons with a fierce attack on the decision. What possible grounds can there he moral, political, his-torical, or, ethnic — for the admission to this country of large numbers of persons from Indo-China?" he demanded.

"A country with which we have no connection and towards which we have no obligation," he declared.

Tory hackbenchers should "shame," - and "disgraceful" and Labour MPs joined in the protests as Mr. Powell spoke.

Sir Ian Gilmour, Lord Privy who announced the deci-ธเอน in the Commons, retorted that the Government could not ignore the appalling tragedy that was being enacted in South-

East Asia. "For us to sit back and pre-tend that it is not happening and 1,500 tons of skinmed milk entirely contrary to the cthical and political traditiona of this country." be asserted.

Sir Ian was cheered as he added: "We are to put it mildly, part of the human race." Lord Carrington, who will attend; the opening session of - Sir lan said he hoped the rest

Thatcher, pledged the Govern-ment to a "full and constructive role " in the international effort. that would he needed to solve the problem. 1 . . 10

Government has agreed to Asia," he said, accept will be taken, over a period, from Hong Kong where more than 66,000 are awaiting resettlement.

Mr. Peter 'Shore, 'Labour affairs spokesman. the Government's foreign welcomed and joined in condemning the. ' callous and inhuman policies " of the Vietnam Government.

Lord Carrington (left) whn announced British plans to accept more Vietnamese boat peopte

to provide food supplies to help starving "foot people" who

were now leaving Laos and Camhodia. Sir Ian replied that the EEC and 1,500 tons of skimmed milk

But he said that because of Britain's own overcrowding problems it would be unreasonable to make further undertakings about accepting more refugees for resettlement.

the UN conference in Geneva of the international community this weekend, originally pro- would follow the example posed by Mrs. Margaret Britain had already set. would follow the example that

The Government had done what it could to bring pressures to bear on the Vietnam; Government-"it cannot be in its interests to alienate-itself from - The 10,000 refugees whom the its neighbours in Sonth-East

Between 40 and 60 per cent of the refugees had been drowned after being forced 10 leave Vietnam, Sir Ian said.

The situation was comparable with Stalin's extermination of the Kulaki or Hitler's treatment of the Jews,

f the Vietnam Government. Constantly emphasising that He pressed the Government the Government's decision had to take more refugees, from been taken for humanitarian Hong Kong, if necessary, and reasons, Sir lan gained wide

support from both Tory and Labour back benchers But Mr. Richard Alexander

(C., Newark) suggested amid Labour jeers that the number of immigrants heing allowed into Britain ahould be reduced to offset the influx of refugees.

And Mr. Ronald Bell (C., Beaconsfield) accused the Government of "self indul-gence." He declared: "This overcrowded island onght not to be the terminus of any further major immigration."

There was a clear distinction between immigrants and refugees, Sir lan replied.

Roars of protest eame from Tory MPs, aa Mr. Frank Allaun, chairman of the Labour Party. complained that Sir Jan bad not protested when the Americans had hombed Vietnam.

Would the Government provide relief for political prisoners, such as those in Latin America who were being tortured ? he demanded.

Sir lan retorted that Mr. Allaun had never given a " clearer example of double standards. The Victnam Government was pursuing a callous and calculated policy to expel something like a million people

merely because they happen to be of Chinese stock.

Sugar 12

British intake 'niggardly' BY DAVID DODWELL **BRITAIN'S** decision to accept another 10,000 refugees from Indochina over an undefined period will disappoint many

the delegates assembling in Geneva on the eve of the two-day UN conference called to discuss the refngee crisis overwhelming South-East Asia.

The British "offer "-in fact, the Government howed to a demand from UN Secretary-General Kart Waldheim -is likely to be thought of as niggardly, even in comparison with efforts heing made hy other Western countries.

For example, as Lord Carrington was making his statement in the Lords, so MaeDonald, Flora Mrs. Canada's External Affairs Minister, was announcing that her Government is to increase its intake of Vietnamese refngers immediately from 1,000 a month to 3,000 a month.

She expects to take in he-tween 15,000 and 20,000 refugees in the remaining five months of 1979, and aims

to have accepted 50,000 by the end of 1980. The Canadian Government has promised to accept one refugee for every refugee

sponsored hy a private group. Britain's offer is pat into perspective when it is noted that refngees are currently .. arriving in Hong Kong at a rate of 3.500 a week; Britain's nffer should take care of three weeks worth of arrivals. The ASEAN nations (Thailand. Singapore, Malaysia, Philippines and Indonesia) are unlikely to ahandon their hard-line policy of pusbing newly arrived refugees hack out to sea nnless the Western

nations assembled in Geneva make specific commitments to absorh effectively the 380,000 refugees already waiting in the "transit" camps. Offers of help on the scale of Britain's are unlikely to provide the reassurance

needed. Lord Carrington's statement is unlikely to satisfy ASEAN delegates at Geneva for other reasons.

# **PM** stresses wider choice

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER urged tially a celebratory one, as 200 Conservative MPs yesterday to Tory MPs and peers applauded Conservative MPs yesterday to hammer home the Government's determination to increase the freedom of choice for both industry and individuals. Mrs. Thatcher told a 1922

motif. Committee lunch at the Savoy that, after only a few weeks in ence that the Socialists had now office, the Government had ensured that, for the first time lost the intellectual ascendancy they had claimed since the War. in years, industry had control of The ories had clearly won the prices, wages and dividends. political argument at the

General Election. Second, she claimed that the Her message was that the incoming Government had got off to a flying start but needed to Labour Party had now lost the get its policy of higher rewards moral ascendency that had govbetter incentives across erned its thinking on social with the maximum impact. She stressed that it was only issues.

Now the major task that faced by increasing productivity that the Government was to change higher expenditure both by the people's attitudes and to ensure that people continue to move individual and the state would towards a freer society and he possible.

The Prime Minister admitted away from socialist restrictions. there would be political squalls ahead, as some of the Govern-In her view, the tactics of the Opposition were designed ment's politices were implenot to save the country from mented, and it was then that failure but to save it from policics of success. the total support of backbenchers would be needed and tion that could be placed on the expected.

But the occasion was essen Labour Party's fierce opposition to the Government's desire to

First, by openly attacking the Vietnamese at such an early stage, the risk of a staged walk-ont by the Vletnamese is clearly increased. Many feel that a more suitable forum for criticism of Vietnam's expulsion policy is the UN General Assembly. They argue that this weekend'a conference should be confined simply to the humani-

tarian problems thrown up at obtaining a settlement were vesterday adjourned after seven An early departure by the Vietnamese would make solution of the humanitarian problem much more difficult. Second, the prinrity of the ASEAN states is to make sure transit , camps are set np around South-East Asia to cope humanely and efficiently

with the refugees The British delegation seems inclined to leave this issue aside for debete at a later stage.

These areas of polential dissent between the Western nowers and the ASEAN powers and nations will please the Vietnameae delegation above ali. others.

their leader and congretulated savers her on the election victory. The MPa presented her with a gold hrooch containing a 1922 By John Hunt Mrs. Thatcher told her audi-

This was the only interpreta-

increase incentive and produc-

Times debate

A DEBATE on the prolonged

closure of The Times newspaper

was called off in the House of

Lords because of the new talks

between the paper's manage-

the closure since last Novem-

The final phase of talks aimed

hours for three days with both

management and unions saying

called off

ment and unions.

Yesterday's

new negotlations.

they were " ptimistic."

tivity.

for

THE COMMONS last night approved a clause exempting from tax the compensation paid to holders of National Savings who suffered from the effect of industrial action by the Civil Service carlier

No tax

on refunds

In the year. Speaking during the report stage of the Finance Blu, Mr. Peter Rees, Minister of State at the Treasury, described the proposal as "ismple, clear-cut and fair."

He said that the cost of removing tax iiability would be £500,000. A total of 2.5m payments would qualify and of these 300,000 wunld amount to more than £1.

Benn attacked by Labour MP

A LABOUR MP has hitterly attacked Mr. Anthony Wedgwood Benn, former Energy Secretary. for "reckless Secretary, for "reckless exeggeration" about the patronage and power of the Prime Minister.

Mr. Giles Radice (Chester le-Street) sald Mr. Benn'a elaim that patronage was the main canse of tension within the party was "not only reckless exaggeration but

debate-about divisive.' Mr. Radiec made his attack at a Parliamentary Labonr ber of the newspaper-was abandoned by its initiator, Lord Vaizey (Ind.) in the light of the Party meeting on the inngrunning dehate on "democ-

ratisation" of the party. Mr. Nigel Spearing (New-ham South) criticised those " ex-Ministers, gainfully em-ployed trading on the experience they had gained from being in office."

### UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-Indices of industrial production, manu facturing ontput (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies

(0005).	Ali seas						
	Indi. prod.	Mig. output	Eng. order	Retail vol.	. Retail value	Uneni- ployed	Vacs.
1978 1st gtr.	106.9	102.2	99	106.4	246.4	1,409	188
2nd atr.	110.7	104.5	96	107.9	254.4	1.367	213
3rd qtr.	111.5	105.1	103	110.7	266.6	1.380	213
th qtr. 1979	109.9	102.6	mī.	111.7	273.0	1,340	230
1st gtr.	109.1	101.4	101	110.3	276.4	1,351	234
Jan.	103.6	93.4	94	109.6	273.1	1,339	236
Feb.	111.4	104.2	105	110.4	275.4	1,363	231
March	112.3	106.5	104	110.8	279.8	1,350	236
April	113.2	105.3		115.4	290.6	1,311	250
May	113.9	104.6		113.5	289.2	1,307	257 262
June				121.0		1,280	202





TELECOMMUNICATIONS

A FINANCIAL TIMES SURVEY

### **SEPTEMBER 14 1979**

The Financial Times proposes to publish a survey on Telecommunications. The main headings of the provisional editorial synopsis are set out below. The survey will appear one week prior to "Telecom 79" in Geneva.

....

### INTRODUCTION

di.

pall

Recent developments in world telecommunications summarised. The major trend: the continued move towards digital electronic switching. Plans of developing and developed countries. The size of the world switching and transmission markets. Market growth trends worldwide.

HOW A TELECOMMUNICATIONS SYSTEM WORKS

THE BRITISH POST OFFICE AND UK TELECOMMUNICATIONS POLICY TELECOMMUNICATIONS IN EUROPE TELECOMMUNICATIONS IN THE U.S. MAJOR MANUFACTURERS AND THEIR MARKETS

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A STATE AND A STATE AND A STATE AND A STATE

### CENTRES - by J. F. Chown and T. F. Kelen

**3rd Edition** 

**OFFSHORE INVESTMENT** 

### **REVISED EDITION 1979**

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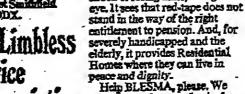
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encouragement, to overcome the shock of josing arms, or legs or an

### BY IVOR OWEN

the Royal Commission.

A further aspect to he taken DESPITE LABOUR protests into consideration, he sald, was that the Royal Commission had and the bostile views expressed by the Royal Commission on the National Health Service, the Government intends to go ahead recognised that apart from the loss of £200m which the charges with the publication of proproduced, their removal would posals for encouraging also lead to an increase in dethe wider use of private medical mand estimated to cost an additional £60m. insurance schemes.

Jenkin boosts private

medical insurance

A deflant Mr. Patrick Jenkin, He questioned whether it the Social Services Secretary. would be right to encourage this additional £60m expenditold the Commons last night that the Government did not ture at a time when there were complaints that too much public necessarily share the views of money was already going to the drugs industry.

He acknowledged that in most

Mr. Jenkin reminded Labour

significant at present, from the

point of view of the efficient

To Tory cheers, Mr. Jenkin

Answering questions about

possible methods to avoid the

functioning of the service.

He firmly restated the case for stimulating the development Mr. Jenkin promised that the Government would publish a of privately financed medical consultative document in the autumn, responding to the Royal Commission's proposals for improving the administratreatment as a means of freeing more public resources for the National Health Service.

Dr. Shirley Summerskill (Lab. Halifax) was loudly tive structure of the NHS. Pointing to an early demise for some elements in the structure introduced by the last cheered from the Opposition benches when she maintained that such a policy would lead to a two-tier health service—one Conservative Social Services Secretary, Sir Keith Joseph, he stated: "It is our view that early for the privileged who could afford to pay for private treat-ment, and the other for the less progress is essential to aimplify prosperous groups in the com-munity who would be forced to rely on the NHS. the structure of the health service and to devolve management authority to the lowest effective Access to medical treatment, level.

she contended, should be decided on need and not on cases this would involve the elimination of one tier of the ability to pay. existing management structure, Mr. Jenkin angered the

"It will be for the health Opposition by urging Dr. Sumauthorities, under the guidance merskill to examine the pay deal recently concluded on behatf of 1.300 employees at a of the regional health authori-ties in each part of the country, behatf of 1,300 employees at a Birmingham brewery which includes private medical treat-ment for the workers concerned. ment for the workers are areas. Mr. Stanley Orme, shadow

Social Services Secretary, emwiser than Dr. Summerskill," he phasised that Labour rejected said. Jenkin was equally any extension of the private Mr.

determined in withstanding sector in the NHS. Opposition pressure for Govern- He also argued He also argued that as the Royal Commission had come down against Health Service ment acceptance of the Royal Commission's recommendation that there should be a gradual charges the increasea introduced in the Budget should be withbut complete extinction of health service charges. drawn.

He pointed out that the Royal MPs that the Royal Commission Commission had itself recoghad stated that it saw no objecniscd that it would be very tion to a significant expansion difficult to provide additional finance for the health service of the private sector, provided the interests of the NHS were from the Exchequer until the adequately safeguarded. Nor had the commission considered economy was on the mend.

The Budget had been designed to improve the economic prosperity of Britain and the National Health Service would henefit from this in due course.

Backed hy Tory cheers, he maintained that it did not lie underlined that it was Governin the mouths of Labour MPs ment policy to welcome the to criticise the health service contribution that independent charges because the Labour medicine could make to the Government had put up optical health care of the nation. charges twice and dental charges three times. . Mr. Jenkin insisted that he closure of small local hospitals, would rather keep nn the Mr. Jenkin suggested consideracharges than-cut back on the tion could be given in letting standard of service provided hy them at "peppercorn" rents to the NHS. local organisations · •,•

OUTPUT-By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, nuetal manufacture, textiles, leather and clothing (1975=100); bousing starts (000s, monthly average).

	Consumer	lavs). goods	lnınd. 2006s	Eng. output	Metal mn/g.	Textile etc.	Hou <i>s</i> g. starts*
1978 st atr.	- 105.3	98.8	116.3	99.9	96.5	98.0	17.8
bd qtr.	108.1	97.8	122.3	99.6	107.4	101.0	27.1
rd qtr.	108.3	99.5	123.3	100.6	101.2	103.7	23.0
th qtr. 1979	105.3	96.5	123.5	96.5	97.6	101.2	20.2
st qtr.	103.8	98.4	125.5	98.2	97.6	97.3	12.8
lan.	99.0	92.0	117.0	92.0	77.0	93.0	10.1
<sup>7</sup> eb.	105.0	102.0	130.0	101.0	102.0	98.0	12.7
larcb	108.0	101.0	130.0	102.0	114.0	101.0	15.6
pril	107.0	101.0	129.0	101.0	104.0	99.0	18.0
lay	107.0	99.0	133.0	99.0	110.0	99.0	19.3

EXTERNAL TRADE-Indices of export and import volume (1975=100); visible balance; current balance; oil balance (fm); lerms of trade (1975=100); exchange reserves. Export import Visible Current Oil Terms Resv. volume votume balance balance balance trade US\$bn°

1978							
2nd qtr.	122.2	109.7	- 173	+208	-414	104.9	16.75
3rd qtr.	124.8	114.9	- 367	+154	- 501	106.1	16.55
4th atr. 1979	124.8	112.3	- 39	+ 450	-480	106.9	15.77
1st atr.	110.3	113.3	-1.181	- 787	-237	107.7	16.78
2nd qtr.	134.2	129.0	- 561	-231	-210	108.0	21.69
Jan.	113.0	107.1	- 126	+ 6	- 62	107.4	16.26
Feb.	100.7	117.0	- 766	-635	- 78	108.1	16.62
March	117.3	115.7	- 289	- 158	- 97	107.4	17.45
April	128.4	127.2	- 327	-217	-114	108.9	721.47
May	133.6	127.8	- 185	- 5	- 54	108.0	21.53
Jnne	140.7	132.0	- 49	+ 61	- 42	107.1	22.07

FINANCIAL-Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate): domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

			Bank				
	M1	M3	advance	s DCE	BS	HP	MLR
	%	.5	%	£m	inflow	lending	%
1978							
lat qtr.	24.3	23.8	17.5	+1,811	1,049	1,373	61
2nd gtr.	10.1	15.0	24.5	+2,800	694	1,506	10
Srd atr.	17.2	8.3	8.6	+ 591	746	1,541	10
4th qtr. 1979	15.1	13.0	8.7	+ 1,875	878	1,576	12]
1st gtr.	7.2	10.1	32.7	+1.672	777	1,586	13
Jan.	14.6	18.9	21.2	+ 801	289	525	124
Feb.	17.6	2.06	24.1	+1,089	231	531	14
March	7.2	10.1	32.7	- 263	257	530	13
April	16.8	7.2	19.1	+ 846	343	572	12
May	12.9	7.9	20.6	+ 945	309	624	12
June					125		14

INFLATION-Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (Jnly 1952=100); trade weighted value of sterling (Dec. 1971=100). the presence or absence of pay beds in NHS hospitals to be

	Earn-	Basic	Whsale.			FT*	
1978	ings*	matls."	mnfg."	RP1*	Foods*	comdty.	Strlg.
2nd atr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th otr. 1979	136.4	147.1	157.3	202.8	208.0	257,69	62.7
lst gtr.	140.2	152.2	161.6	208.9	218.8	268.83	64.1
2nd gtr.		160.5	167.9	216.5	225.2	293.55	67.9
Jan.	135.7	150.8	160.0	207.2	217.5	260.63	63.5
Feb.	141.1	152.2	161.7	208.9	218.7	267.36	63.7
Mareh	143.7	153.5	163.2	210.6	220.2	268.83	65.0
April	144.3	158.4	165.5	214.2	221.6	277.11	66.9
May	146.5	161.1	167.7	215.9	224.0	279.20	67.4
June		162.1	170.6	219.6	230.0	293.55	69.5
* Not	seasonally			rves: no nates.	w revalu	ed annu	ally,

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# JOBS COLUMN, APPOINTMENTS and BUSINESS OPPORTUNITIES

Introducing the Silver Volt · Drake's plum

### BY MICHAEL DIXON

February be asked the Jobs

Column to belp him to find a "resist taking on a couple more" merchant venturer " to become of the candidates as well. One to financial vice-president of a new run the manufacturing and financial vice-president of a new run the manufacturing and group to be set up in the marketing operations based at Bahamas to make and market Freeport in the Bahamas, the what be could describe only other to develop the European interests of the business. Neither of this "bonus" pair may be named at the moment, because

the rewards for auccess, hesides chief will not take np post until salary and normal perks, in- the end of the year. cluded the ecquisition of "So there you are. Just like U.S.\$ Im worth of equity over thet," said Jim Smith, perhaps six years. This earned first place

Ieter, just to be sure. Neturally he received applica- reasons for claiming it. tions from most impressive One reason why the pr came to make bis choice.

After e good deal of bumming American inventor who since and bawing be finally picked 1966 bas been working to Roger Jefferies, a pharma- develop a saleable eltericallyceuticals executive from East- driven car. bourne, to set up the financial

free.

But the employer could not

The job was notable because for one thing the . Enropean

attempting an imitation of the comedian Tommy Cooper. If so, in the column of March 1 and, however, Mr. Smith would never although I wasn't told about it have made e living on the stage. at the time, Mr. Smith exercised And then he gave me permission the canniness he leerned along to disclose what I was bursting with clinical psychology at Aber- to tell you in March, but was deen University, and also adver- prevented by the Jobs Column's tised the post in the FT a week guarantee of silence to any guarantee of silence to any heed-hunter who gives good

One reason why the prospects people—63 of them, to be pre-cise. These were eventually, and ing is that it product could regretfully, reduced to a sbort-hardly be more timely. Yon see, list of only six, end the employer the men who originated the venture is Robert Aronson, an

And now he bas evidently structure of the new operation made suitable for large-scale

HEAD-HUNTER Jim Smith is and thereafter run the projected production, a battery which for final testing. Next year, the of undergraduate standard," mightly pleased with the international business, at a installed in specially converted group plans to produce 20,000. I'd like to repay him for that in mightily pleased with the international business, at a installed in specially converted group plans to produce 20,000. Financial Times. In latish starting salary of \$45,000 tax- limousines such as the Chevrolet Mr. Smith (J. G. Smith and 100 miles on a 45-minute recharge. It is capable of speeds of up to 70 miles per hour, although the cruising speed is about 55 mph. The conversion is necessary so as to strengthen the car's suspension and suchlike, because the lead-cobalt battery installed under the rear

seat weighs about 1,800 lb. Called the Silver Volt, and designed by Henry Lauve, the car is expected to find its main market among well off commuters all over the world. It will apparently be available in saloon or estate-car versions, and sell at about \$14,500.

For the technically minded, the battery is a 144-volt EFP fast charge TPX, covered by U.S. Patent 3,518,127. The motor has a 50 kW peak, 20 kW continuous rating, separate ex-citation, and 4,500 npm. The

car's payload is 700 lb. For the status-symbol minded, It hes power brakes and steering, power seets and windows, air conditioning, and stereo. The name of the group pro-ducing the vehicle is Electric Fuel Propulsion Corporation, and the production aubsidiary is Electric Auto Corporation. This year only 280 models are

Mr. Smith (J. G. Smith and Partners, 21, Princes Street, Hanover Square, London WIR 7RG) tells me that his satisfied chient is now beginning to offer distributorships with sole rights in particular areas. The price is \$466,000, but the group can arrange for three quarters of

this sum to be borrowed by qualified distributors through a consortium of bankers centred in Hong Kong, and be repaid over a period in e way which can offer tax advantages.\

I would be glad to see the venture succeed and the product-range extended, and not just because of the oil prohlem. It would be most satisfying to be able, some day, to take my grandchildren on my knee, and

"Once upon a time, you know, cars did not run silently to and fro like they do now. They used to make loud noises and give off fumes hecause they were mede to go by something called petrol. But grandad helped to change all that ...

But 1 wouldn't start the story as I did this one today. It would begin in the 1960s when 1 went to MSL to be interviewed for e job by a recruiter called Jim Smith. He thought 1 was broedly all right, but reported being produced and sent to business executives in Florida to the employer that I smoked a pipe, " in shape and conduct,

similar coin. But my humanity persuades me that it would be wrong to mock further someone who is not only a psychologist, but Scottish to boot.

### Wily talker

"A STRAIT-LACED bookkeeper ain't going to fit," said Eric Smart, of Drake Inter-national. "The job needs a quick-witted talker because it involves dealing with a lot of sophisticated sales people who are always wanting to spend money. You have to be able to tell them otherwise while still keeping them thinking you're on their side." Then the London-based opera-

tions manager of the Canadiancentred recruitment group added: "I know that, you see, because I did the job myself for three years. It's a real Jekyll and Hyde job, but a plum for an accountant warting to for an eccountant wanting to move into general management." The joh is that of European

financial controller for the come from any conntry. Drake group, whose main busi-ness is currently in temporary estimate would be around staff, although recruitment of £12,500. Perks include the regular employees including Inquiries by telephone to the managers is taking an increase Smart at 01405 0654. Written ing share. Responsible to Brian Johnson,

the vice-president for finance in

work mainly from London although some 15 to 20 per cen of the time will be spent else where. Switzerland and Geneva are the other main centres of Drake's European operations which produce a turnover of roughly £10m, and employ about

180 of the group's 1,500 total staff. The new controller and have charge of about 45 people.

The group's accounting functions are closely managed, and rewarded on results, which Mr. Smart thinks would be liked by accountants who are tired of being regarded as flat another overhead. Tasks will include company secretariate work, property and insurance. If preferred, promotion routes, could be into international

financing, tax and legal work Applicants, aged at least 30 must be qualified accountants preferably certified or cost and management, and have managerial experience in a marketing minded service infinite marketing-minded service income try. A post-graduate inclines degree would help, as would French and German. Culturally transferable candidates could

epplications outlining career to him at Craven House, 121 Ringe-way, London WC2B 6PH; telex Toronto, the newcomer will 267653.

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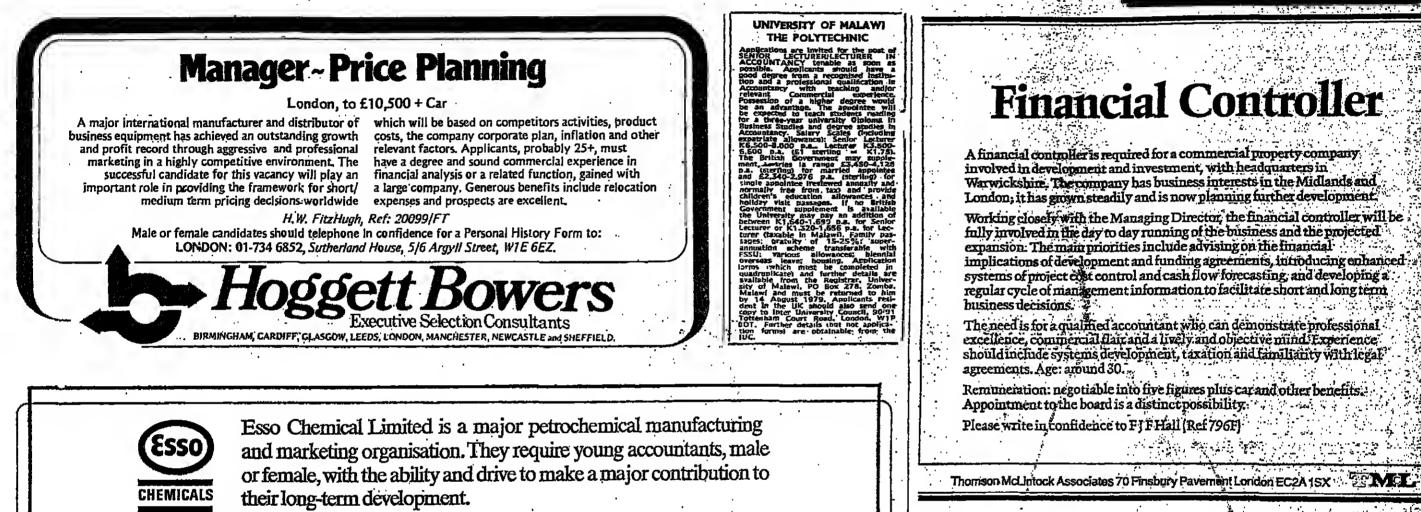
This large organisation operating internationally in many markets requires a mature and experienced person who can bring to this position a thorough person who can bring to this position a morough knowledge of company secretarial work, insurance and corporate administration. Based in the City, you will be a part of a small Head Office isam which operates within a larger group. The salary is likely to be c. £6,500 with an early review and there are substantial tringe benefits including a minimum of four weeks' holiday and free daily lumbes. daily lunches.

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Call us quoting reference EJS/491. 01-405 0654 DRAKE SENIOR APPOINTMENTS Craven House, 121 Kingsway, WC2. (Consultants)



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followed by significant cost/management accounting experience is required. Preferred age 32 to 40.

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In addition to attractive salary benefits include car, pension scheme, BUPA and assistance with relocation if required.

Applications to R. J. Welsh

Reginald Welsh & Partners Limited. Accountancy & Executive Recruitment Consultants 123/4 Newgete Street, London ECIA 7AA Tet: 01-600 5387 Tinancial Times Thursday July 19 1979

# BOUI Manag Director

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e of international expansion of this highly successful public company has ated the need for an outstanding executive to take over responsibility for the group's existing businesses. The group designs, produces and markets a broad range of fashionwear throughout the CIK from London-based subsidiaries. It has a secure position in its maddets and has a remarkable record of consistent profit growth. Turnover of £10m will expand markedly as current and anticipated mergers and acquisitions are completed.

The role involves the overall direction of the group's existing activities, largely by setting policy guidelines and performance standards for the subsidiary company managing directors. Whilst the individual companies are well run and largely autonomous, the group deputy managing director will be expected to regularly monitor performance and to tactfully assist and advise as necessary.

Candidates, aged 30-45, should be well educated, mature and have a successful record in general management with full profit responsibility. A fashionwear back-ground is desirable but experience in similar industries could also be relevant. se write in complete confidence, quoting ref 1051, to Michael Waggett, who is advising on this appointment.

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- Deputy Managing Director (Administration and (ii) Finance).

### QUALIFICATION AND EXPERIENCE

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(1) Deputy Managing Director (Operations)

Candidates should be professional members of the institute of Bankers: A University Degree in Economics or Business Administration and/or other professional qualifications will be an advantage. Candidates must have banking experience of about 20 years, ten of which must have been at top management positions and of which 5 years should be at the level of a Divisional Head of operation of any large and well established bank.

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tration. Candidates must have experience of about 20 years, ten of which must have been at top management positions and of which 5 years should be at the level of a Divisional Head of Finance and administration of any large and well established

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Some experience in the Gilts area would be anasset, however any necessary training will be provided and, for an ambitious career minded person, positive encouragement will be given to progress, eventually to a sales position involving direct client contact.

Ideally candidates should be aged 20-25. educated to good 'A' level or graduate standard, and have gained work experience of a mathematical, actuarial or economic nature.

We set high standards but if you believe you can meet them and you are prepared to capitalise on this opportunity please write or telephone. in confidence, to Mike Thomas FLA, Gilt Department,

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Experience of equity markets is essential. Knowledge of Canadian stock markets will be helpful, but is not mandatory as an extended period of training at our Head Office in Toronto would be arranged for a suitable candidate.

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Accounting for such a widespread organisation clearly calls for considerable skill and knowledge and a high calibre accountant with at least 2 years post qualifying experience is now required to join the accounting team at corporate headquarters. The responsibilities will be wide ranging and will include the preparation of group consolidations, the monitoring of operating performance, ad hoc investigations over a broad spectrum of financial matters and advising on the application of accounting standards and statutory requirements.

This position will appeal to someone who is interested in the development of corporate reporting but who would enjoy a more active involvement in the management of a major industrial group. There are excellent longer-term career prospects and first-class conditions of employment.

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Appointment will be on pensionable basis for Nigerians. For non-Nigarians, appointment will be on contract for an initial period of 3 years.

#### MODE OF APPLICATION:

Application, marked Private & Confidential, must be in writing, accompanied with a Curriculum Vitae and addressed to the Managing Director, P.M.B. 12123, Lagos, to reach him not later than Tuesday, 31st July 1979.

Names of 3 referees, one of which must be from a former boss, must be supplied.

All applications will be acknowledged.

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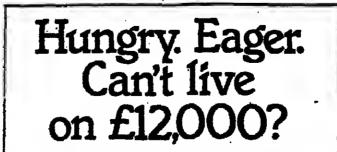
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Financial Times Thursday July 19 1979

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interests. They have about 5,000 peosion scheme members and there are at present 360 pensioners. The UK annual contribution income is currently £2 million plus, and the fund of £10 million is growing rapidly.

Candidates (male/female), aged 35-45, should be Associates of the PMI, with several years' experience in pensions management (possibly as number two in a larger scheme). They should ideally possess a sound working knowledge of computerised records, and be familiat with overseas pension arrangements. They should also appreciate the wider aspects of salary and benefits management. Personal qualities must include good communicating skills, both written and oral, and the capacity to work under pressure. Some travelling will be necessary.

The job is based within easy reach of attractive urban and country environments. Generous relocation assistance will be provided.

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# Weish Development Agency

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The Agency owns 3,000 acres of industrial land and some 16,000,000 square feet of factories let to over 400 tenants. The Commercial Director is responsible for the management and development of these holdings.

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c) securing new tenants, negotiating leases and rents.

The Director works closely with other Departments of the Agency including the Investment Department and with Government and Local Authorities. The Director is responsible immediately to one of the Executive Directors of the Agency and through him to the Board of the Agency.

The successful candidate will need to have a professional qualification and extensive experience at senior level in the management and development of industrial property. Knowledge of industry in general and proven negotiating ability as well as capacity to supervise a large staff will be essential.

Salary will be on a scale from £10,300 to  $\pounds$ 13,700 but this is subject to review in January 1980. The Agency has a contributory pension scheme and generous assistance will be given with relocation expenses.

Please write or telephone for an application form, to be returned by 17th August, 1979.

Personnel Department, (Ref 489FT), Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid-Glamorgan, CF37 5UT. Telephone Treforest (044 385) 3571.

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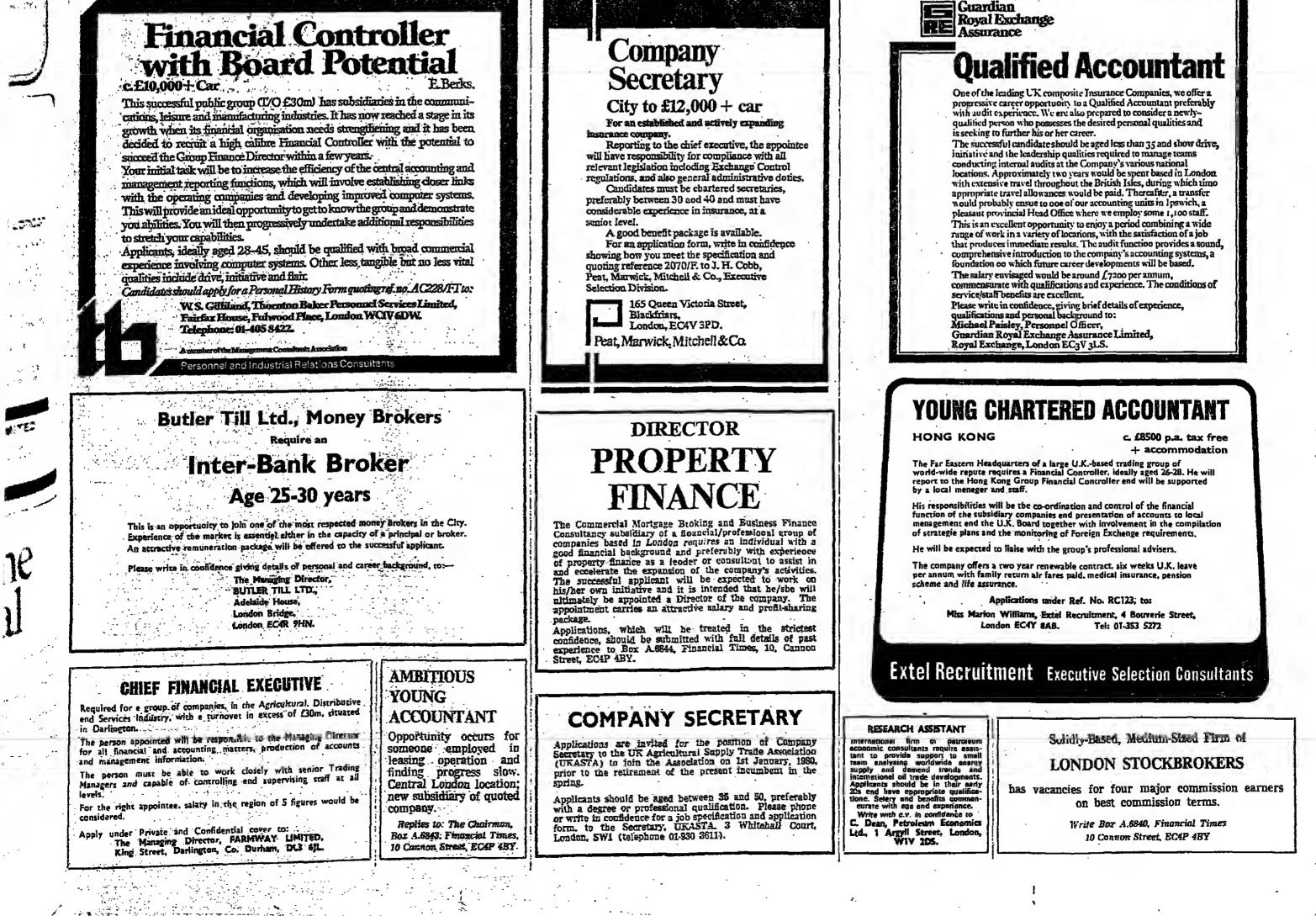
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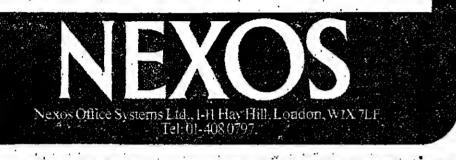
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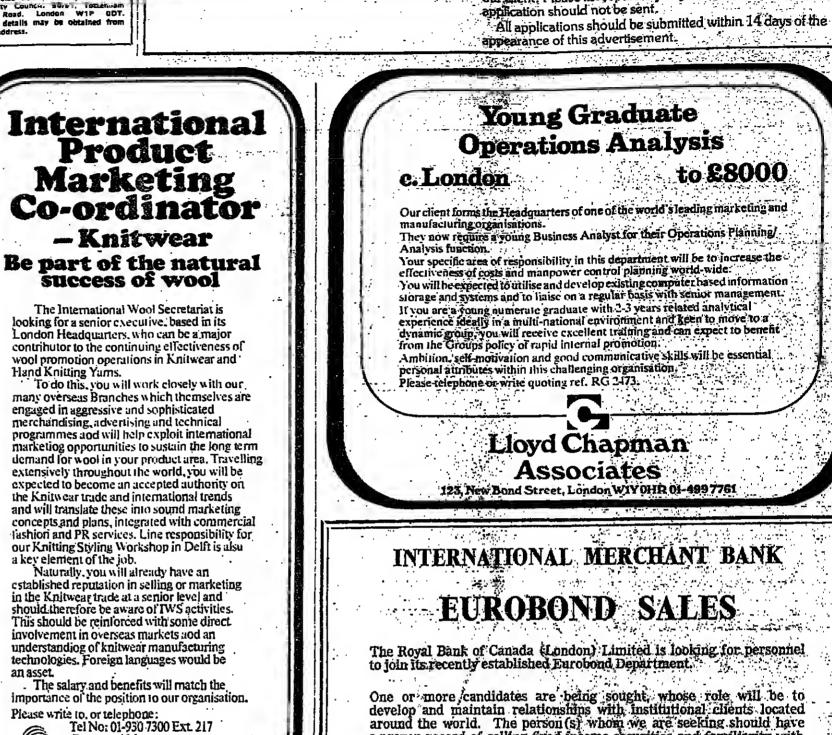
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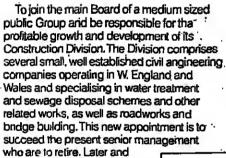
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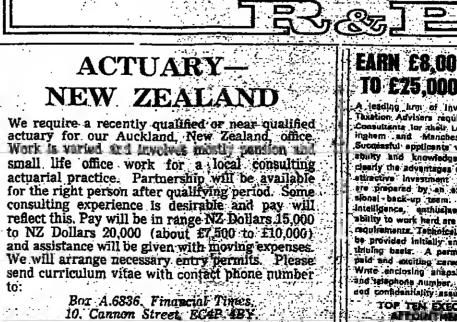
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Expansion has also led to two additional vacancies in the Department for young professionals, probably C.A.a.

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You will want to strengthen your experience in the more specialised areas of accounting, including acquisitions and mergers, exchange control, raising loan capital and capital project appraisal, Reference 987/MDP.

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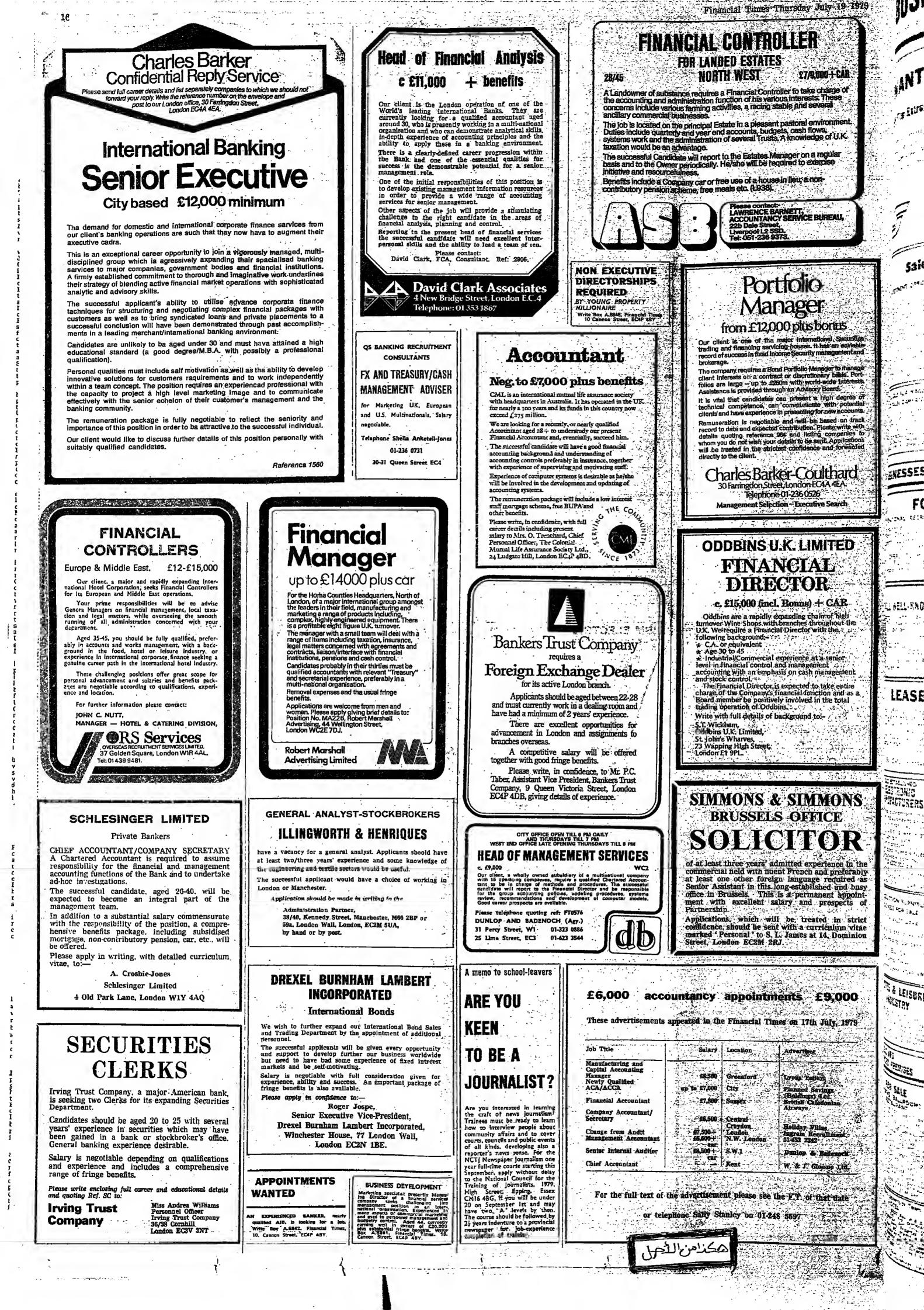
Candidates should be qualified accountants (ACA, ACCA, or ACMA) aged to 26/27 with a proven successful track record to date, experience of sophisticated accounting principles and practices and a high level of enthusiasm and commitment

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Emancial Times Thursday July 19 1979

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and Min Group's Areas of

Construction Broup operating in Australia, Indonesia, Malaysia, ore additional without the store of controlling interset. Activities include: Prant Hirs; Anti-Corrosion Protection Easthworks inling: Structoral, Machenical, Pipling Installerions. a Tarmover 1975—Singapore Collura 18,000,000. of Industry serviced includer Oll and Perrochumical; Minaral Explora-de Processing: Mining; Heavy Industrial Plants. A for espanuion is excellent. Major construction works to be need in region have jurge content of possiblo participation for tion and Popmilai

s ender-capitalised end lecks depth of menagament: Interasted would have to be preserved to perticipate in operations and top menagement. Operations ere currently controlled from

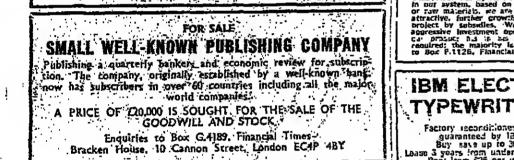
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COMPANY LTD. SEEKS U.S.\$3.35 MILLION ADVANCE PAYMENT BANK GUARANTEE LETTER FOR A CONSTRUCTION PROJECT IN LIBYA TELEX: 523601 BETAS D MUNICH - W. GERMANY



How do they expect me to explain all the merits of owning your own Ziebart Rustproofing Entre in this tiny space. They could at least have given me a poster site to work on. If you want to know more about the high profils to be earned in, operating a Ziebert Centre then I reckon your best bet is to phone. Keith Tarry on 0903-204171. I'm sure he'll tell you all about it.



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# Inniral Paur **6** SHIPPING

# Scrubs barnacles and weeds away

trated a new semi-automatic

18

water hull cleaning of today's almost irrespective of the bility.

The new system, named hlades. Treliclean, works from a cata- Tbe sion system and winches. heads located Cleaning

beneath the raft are pressed to the vessel's hull by the suction created by fast revolving brushes, which in turn, through their rotation, provide forward

### QUALITY CONTROL Strength of timber

A STRESS grading system designed to assess the structu- and associated timher feeding ral strength of timher automatically is being marketed hy Hydro-Air. It is called the Timgrader and is manufactured the RAU-TE Group in Finland.

The machine can he pro- Revised grammed to convey timber (25 to To mm thick and 75 to 300 mm wide) through at speeds hetween 50 and 150 metres per minute and the measuring frequency is synchronised with the passage speed selected.

mm intervals and Identification dye is sprayed on at every measuring point. The grade attributed to any piece of tim-N1 9ND. ber is that of the weakest

revised version is This section. known as BS 4778.

DIR

NORTHERN ROCK BUILDING SOCIETY

HIGHER

RATESOF

INTERES

TRELLEBORG AB has demon- motion on their cleaning arcs. The raft drives itself at a underwater hull cleaning system synchronised speed along the which permits the total under- hull by its own winches. The diesel engine that powers

largest VLCC's in about one day, the hydraulic pumps also pro-almost irrespective of the vides power for illumination amount of fouling, with the and compressed air for divers, minimum of diver intervention, who are required for cheaning and with little effect from cur-difficult areas around the hul-

The complete system, which maran raft moored alongside includes separate diver-held the vessel being cleaned. This brushes is suitable for cleaning raft carries the bydraulic power a wide range of vessels and is source for the cleaning available for lease from machines and the raft's propul-sion system and winches. contact with existing marine contractors at key locations worldwide with the nhjective of setting up joint venture cleaning stations. Trelleborg AB, Fack, S-231 01, Trelleborg, Sweden.

WHEN THE Brazilian jungle bas all finally been cut down by man, Formica will still be going strong to fool its customers—the look of natural

MATERIALS

wood, as well as the appearance of real leather, stone, marble, etc, will he simulated in a myriad display of the company'a product, says director, Ian Willis, Full data on the Timgrader

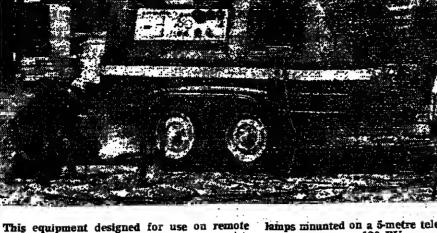
Although wages bave inand sorting equipment is availreased tenfold in the 35 years ahle from the company at Colston House, London Road, Formica has become a bousehold name, its laminates have only trehled in price, and reputation and quality of the Higb Wycombe, Bucks. (0494 product have heen thoroughly maintained due to the day-to-

day activities of the company's research centre at Maidenhead. Some 80 engineers, chemists, et al, are involved with research and development in

the the decorative plastics laminate requency is synchronised with "Glossary of terms used in field on the 27-acre site in he passage speed selected. quality assurance (including Lower Cookham Road, Principal Measuring takes place at 100 reliability aod maintainability specialist areas here include terms)" is now available at the chemistry and technology of £S.80 from the BSI Sales Dept., 101, Pentonville Road, London melamine and phenolic resins, materials science, physical chemistry, instrumental and

chemical analysis, paper science and process engineering.

As strong as tiling



locations might be called a mobile power station. Manufactured by Sitemaster Sales of Blackpool, it includes a 440-volt, 50 Hz alternator driven by a 6-cylinder 90 bhp engine, a water/sindge pump capable of shifting 20,000 litres an hour, a 300-amp silcooled welding set, four quartz halogen flood

lamps mnunted on a 5-metre telescopic mast and a Hydrovane 120 PU compressor with sufficient power for two hand-tools and one

pneumatic hammer to be operated simultaneously. All on-board equipment can be operated at the same time and surplus power can be directed through the socket panel to ancillary equipment of the operators' choice.

# Growing role of laminates

tograpby, mercury porosimetry, kitchen sink and the bedhead, high temperature viscometry the new natural range of managing and research associations pro- motel, school or hospital. vide opportunities for use of

other complex techniques. Fire testing bas always been a prominent activity, says the of both new and existing products against current and evolving standards.

the world can begin to match. siders") to witness the function of the research centre.

surface is only the tip of the

The harsh image of plastic is scanning electron microscony, out-a "hamboo" pattern and nuclear-magnetic resonance and surface looks and feels like the

> it is, nevertheless, fully sealedballmark of easy-clean.

Boasting a facility that no designers and interior decor other laminate manufacturer in experts, Formica promises not designers and interior decor only to maintain aesthetic stanthe company invited the Press dards of its product hut, in the last week (the first-ever "out present trend, satisfy its preference for "natural materials," continuing to fill the gap as the

of latter hecomes more and more DEBORAH PICKERING

UIC UI FAILINGTICS Other areas of study include wetting characterisation and rbeology, and flammability. Among the more sophisti-cated techniques used are differential scanning calori-metry, gel permeation chroma-tography, mercury porosimetry. Miceoby in the more sophisti-tography, mercury porosimetry. Miceoby in the more sophistic torgaphy, mercury porosimetry. Miceoby in the more sophisti-tography, mercury porosimetry. Miceoby inclusion Miceoby Miceoby

the new natural range of and gas-liquid chromatography. Close contacts with universities anywhere in the house, hotel, Stock control of builders' hardware

real thing. Cleverly simulated to noaz even tactile examination company, and a range of allowing no risk of germ trap hy weight. methods is used for assessment or a reduction in the company's The name

Constantly in collaboration with architects, furniture

BUILDERS' merchant business -problems, as even the weather requires a large stock of can affect trade significantly. thousands of different items. Up-to-date, totally accurate NP, with a needle printer which some of which are sold as units, management reports on cash operates at a speed of up to 140 in set sizes, by length in metric flow, credit control and stock characters/second on a wide and imperial measurements, or control are vital. Adler Business Systems has

The pattern of trade fluctuates .developed a tailorinade builders' on a day to day as well as on merchants seasonal basis, and while management system on the mover varies from month to TA20 small computer. a seasonal basis, and where TA20 small computer turnover varies from month to Depending on the size of month, marching stock levels bisiness and the speed required, must he maintained at all times. Adler will provide the TA20 SE, solfball, typewriter

DATA PROCESSING.

operational savings to Ford

comes the announcement that

recently announced Ford engine

in the early eightles, this will at full capacity, provide over

2,000 jobs in Wales.

document of text.

Engine plant automation

Merges tape and fiche

and Howell has given the come CRP system converts the text patter a photographic memory. Jistings from magnetic tape to In the past it has been beens microfilm or microfiche using

mation into a digital picture techniques and marges the which takes np th 40 times as graphics presentation with the much computer storage capacity text with considerable precision (160,000 bytes) as a single A4 at a reduction of up to 48 times document of text

General Automation,

smaller than the size of the

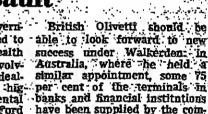
Slough 72331.

Cost of holding large stocks using a golfball. typewriter Place inevitably entails cash flow (SE=Single Element)- which 2712.

# Olivetti plans market assault

THE ARRIVAL of Keith won in the UK from a Govern British Olivetti should be Walkerden io April as the new ment department (rumoured to able to look forward to new managlog director of British be the Department of Health success under Walkerden: in Olivetti has been followed by a Olivetti has been followed by a reorganisation of the dafa proressing division with a view to ing with henefits), from a hig-increasing the company's share ing with henefits), from a hig-of the floom distributed pro-cessing market from its present company, helieved to be Ford level of about six per cent.

level of ahout six per cent. And Herra respectively the admits that there, the Already achieving business at. Basically the division thas the admits that there, the a rate which is 85 per cent theen broken down into finan company was able to offer greater than last year, the divided government and trade/ exactly the right new product sion recently won a £23m industry sections, these special at the right time and at the source the Danish savings intles being suitably represented right price. In the UK the matbank and it is understood that in a number of geographical ter might prove to be some other sizeable orders have been - regions.



,

what more complicated.



UBITS

E NI

extremely complex moulding for English Numbering Machines. The latter decided that its new electrosensitive matrix printer, ESP 40, should be a one-piece plastic moulding instead of a fabricated metal assembly.

The frame is 8 inches wide, The frame is 8 inches wide, 8 inches deep and 4 inches high (203 by 203 by 101 mm), has many slots, countersunk holes and angles and, ahove all, needed to be very accurately moulded. The sk-piece mould was designed by Plastipol, a Kabi associate.

operates at a speed of 2 characters/second, or the TA20

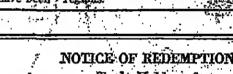
operates at a speed of up to 140 print carriage. Programs are recorded on cassettes and both systems have accounting and been designed, for operation by

junior staff, after less than two days' training. Adler - Business

Systems Jordan House, 47, Brunswick Place, London N1 6EG. 01-251



and Social Security and involvcessing division with a view to ing over 500 terminals for deal- similar appointment, some 75



NOTICE OF REDEMPTION To the Holders of

per cent of the terminals in banks and financial institutions have been supplied by the com-

> 1.19 18 3 3 3

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STEN

87.950 m

LUS M

C KEP IN

Traditional application of latter Formica as a kitchen work-top scarce. **HEATING** HIGH performance coating tion with no solvent has been material from Protective chosen for application to build-**Pulls fumes** chosen for application to build-Materials of Chessington, PML ing surfaces by hrush or roller Epoxy Coating, will provide a to thicknesses of about 0.125mm away from

finish comparable to tiling at per coat. Pery much less cost. Overnight curing goes band in Developers say that the hand with high addesion and workplace material, when cured, is the material can be used as a stronger than most surfaces to floor coating, if desired, pro-CENTRALISED high vacuum air extraction, suitable for weld-ing and other applications, has which it is applied, will resist vided it is combined with the many strong chemicals and can company's anti-skid formulation. be supplied in decorative Protective Materials, Oakcroft Chessington, the advantage, the makers claim, that low volumes of air at higher velocities are used. This means that soction heads are more efficient and can he Surrey

Two-part pigmented formula- KT9 1EF. 01-397 3344.

### INSTRUMENTS

ciated with

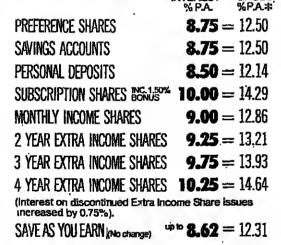
colours.

very much less cost.

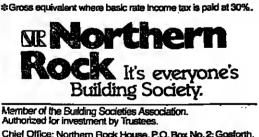
REW DIVESTMENT RATES FROM 1st AUG. 1979 INTEREST =GROSS %P.A. %P.A.\*

g lossary EDITION NEW of Britisb Standards Institution's

34006).







Chief Office: Northern Rock House, P.O. Box No. 2; Gostorth, Newcastle upon Tyne NE3 4PL. Telephone 0632 857191

A second sec second sec

### **Remembers the geometry** AN INSPECTION system that the figures do not tally within desired telerances with those will measure the profile of

camshafts, remember the figures kept in the memory, the comand compare them with those ponent is rejected.

obtained from a known good item is available from Survey The system will plot out the data and also compute deviation and General Instrument, Fir-croft Way, Edenbridge, Kent TN8 6HA (0732 S64111). Using a light beam and photofrom specification. In addition, computer-compatible data on tape or disc can he provided for later analysis. Trends in prodiode system the unit checks the duction can be shown over a dimensions as the shaft rotates period as well.

Geometry of a 16 lohe cam-shaft can be analysed in about about a fixed axis, measuring base circle run-out, maximum lift, lift profile phasing, journal 18 seconds and the accuracy of diameter and out-of-round. measurement is plus or minus Data is manipulated using an 50 micro-inches for any one eight bit microprocessor and if dimension.

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STAINLESS STEEL

Ashford Kent Tel 0283 25

SECTIONS

First Inertia Switch, Elvaco House, High Street, Egbam, Surrey. Egham (07843) 4400. placement with scale ranges to House, accommodate all levels assomachinery iπ Surrey.

the hoses and pipes are smaller making them easier to handle and cutting the capital cost of installation.

The suction heads are small and have magnets fixed to them, so that it is easy to locate them. Horsepower required per welder, or per point, is the same as in other systems, normally about 1.5 hp per welder.

located farther from the point

of welding or fume emission;

Novavent centralised high

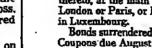
The system can incorporate dust and oil vapour collectors.

Further from Richmond on 0926 59799.

vacuum extraction system for welding, and other uses, is made in Denmark by H. Nielson and Son (Maskinfahrik) A/S, of Copenhagen, and is handled in the UK by Richmond Marketing,

5. Fernhill Close, Kenilworth, CV8 LAN.

As the system uses lower quantities of air, it does not take so much beat out of the factory in winter. Heat loss, such as it is, can be recovered with a heat exchanger.



July 12, 1979

NEW ZEALAND

91/4 % Bonds due 1982 (due August 15, 1982)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above described issue, Morgan Guaranty Trust Company of New York, as Fiscal-Agent, has selected for redemption on Angust 15, 1979 at 100% of the principal amount thereof through operation of the Sinking Fund, \$1,050,000 principal amount of said Bonds bearing the following distinctive numbers:

### OUTSTANDING COUPON BONDS OF \$1,000 EACH BEARING NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

05 ---- 63 ALSO OUTSTANDING COUPON BONDS OF \$1,000 EACH BEARING THE FOLLOWING NUMBERS:

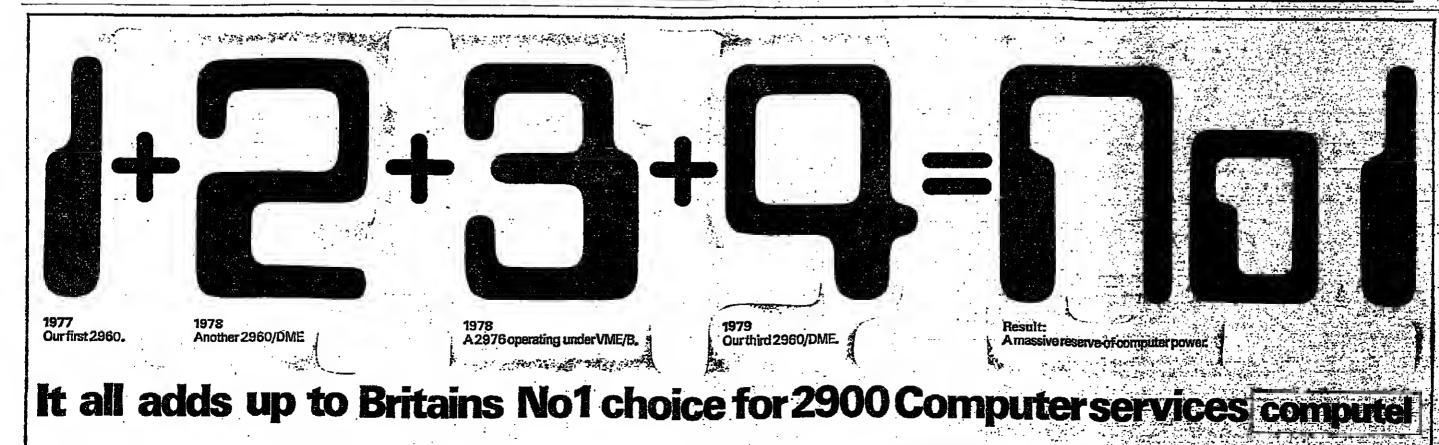
### 5 2178 3778 6678 8778 10773 12478 13378 15378 15378 16378 2678 4578 7073 9578 11578 13578 14225 15678 15378 12378 1478 3478 6578 7973 10178 11378 13278 13578 16578 23478

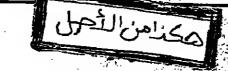
On Aogust 15, 1979, the Bonds designated above will become due and payable at the principal amount: thereof in such coin or currency of the United States of America as is legal render for the payaent thereof in such coin or currency of the United States of America as is legal render for the payaent thereof of public and private debts, and will be paid upon surrender thereof at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York New York 10015, or, at the option of the heater but subject to any laws and regulations applicable thereto, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt, London or Paris, or Bank Mees & Hope NY in Amsterdam or Credit Industriel d'Alsace et de Lorraine in Lucemboure.

Bonds surrendered for redemption should have attached all miniatured comons animitement thereto. Coupons due August 15, 1979 should be defacted and collected in the maner. From and after August 15, 1979 interest shall cease to apprese on the Bonds herein designated for



NOTICE The following Bonds previously called for redemption have not as yet been presented for payment: -1004 1910 2712 3208 5909 6134 7543 8527 10898 11304 13870 1051 1982 2726 4011 5934 6389 7766 46774 10802 11306 14518 1419 2705 2799 5845 5937 7189 8221 10705 11306 14518





# THE MARKETING SCENE

Tabot in Europe, 101 years on Renault

BY MICHAEL THOMPSON-NOEL

to say odium, that can be a Epropean advertising can appropriate, but I think it a Sunbeam and Talbot Avenger, generated by a major corporate paign to establish its new really good strategy to go back and heralded new additions to change of name. Chryster identity, although it will not dis-to a great name from the past, the range, cars that would be Europe appears to have scored cuss the scale of expenditure. Europe appears to have scored cuss the scale of expenditure, a copybook success in its name. Earlier, there were doubt change to Talbet

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hare.

Change to Tange To Tange Whether Chryster Europe, its understand Talbot was very well pleasure of driving a car." Reviewing the first eight days products and dealer networks, received in France. It's a relief Another ad, in Motor magazine, of the operation. Talbot UK would remain antonomous or be marketing director Michael absorbed by Pengeot or Citree. The choice of name is so it was a Talbot that Rosier drove howe said yesterday that initial Research showed that none of research showed that the new the brand names owned by identity sas windly approved by Chrysler. Europe including with a laying on of hands. It is the campany's dealer organiza Hillman, Humber, Sunbeam, generally taken seriously, but so convoluted it reduced "most times. ions. Singer, Simca, Delage and Dela-Broad sections of the motoring have fared as well as Talbot

public may still be puzzled why when it came to projecting an British Leyland renamed itself image strong enough to be used BL, although the company is uniformly hoth in Britain and working hard to re-inject. its the key Continental markets. Austin and Moirts brand labels John Murphy, managing

Austin, and morris utant moters world inter-with style and personality, director of Novanark Inter-On the other hand, the name national, which specializes in Chrysler clearly had to go as brand name creation, applands soon as possible after Chrysler the choice of Talbot. "My in the U.S. had sold its operation initial reaction was one of surin the UK. Iteland, France and prise, because the name is going Spain to Pengeot-Citroen.

coss the scale of expenditure. particularly with the Con- dedicated to that essential Earlier, there were coubts tinental markets in mind. I Talbot promise—the sheer whether Chrysler Europe, its understand Talbot was very well

John Murphy, managing director of Novamark Inter-

to be used across Europe. At

turers. Too often it is done The same magazine reported with a laying on of hands. It is that the Talbot family tree was generally taken seriously, but so convoluted it reduced " most motoring historians to frenzy seldom professionally." (Multimark devised the three and dispair." Put hriefly, when Peugeot-Citroen bought Chryscompeting names for the new BL Mini: Mini Match, Mini ler Europe, it inherited the Maestro and Mini Metro. Mr. English Talhot name that had Murphy narrowly preferred descended via Rootes to Match, but the choice was put Chrysler UK, and the French to a bailot of the workforce: Talbot name that had descended Metro won.)

from two 19th century French hicycle makers to Simca. Tha In its Press ads, Talbot has bicycle makers set up shop in stressed the future while summoning up the past. One ad 1878. described the Alpine and Th Tha Talbot family is now Horizon as "on-going Talbot truly re-united.

# U.S. TV advertising is under anti-trust attack Is there anyone viewing out there?

advertising clutter and formula sex and violence, commercial television in the U.S. leaves much to be desired, hut no ona doubts the power of the telly as . effective\_\_\_\_\_advertising hour for programme interrupmedium

At present, a move is afoot in Washington that may change commercial broadcasting leaving the arrangements, viewer to bear even more advertising—or bolt for the kitchen. The Justice Department has filed an anti-trust suit in a federal court challenging broadcast industry's self-regulatory guides that largely deter- ness regard an increase in the mine how much airtime, and in number of ads as the final-solusale to advertisers.

conspirators-its mamber television stations and networkshava artificially driven up the price of TV advertising by restricting the time allotted per

tions. The NAB is a trade associa tion based in Washington. It represents more than 5,000 radio and TV stations and networks. The association and its "co-conspirators" have allegedly "been in combination and conspiracy in unreasonable restraint of trade and commerce. the validity of the Television and in violation of the Sher-Code Time Standards-the man Anti-Trust Act. Few in the advertising busi-

what lengths, is available for tion to the problem. Most want sale to advertisers. to see the medium return to a The suit charges, that the huyer's market from the seller's National Association of Broad market it bas become but much

WITH ITS REGULAR fare of casters (NAB) and its co- as advertisers want to see TV costs reduced, there is a distinct possibility of destroying television as an effective advertising medium hy allowing even more commercials.

BY PATTI REALI IN WASHINGTON

Current advertising practices, according to the NAB code, limit total paid advertisements to 91 minutes during an hour of prime-time viewing. Prime-time, hetween the bours of 8 and 11 pm, is the most expensive period during which to huy advertising. Commerciala in prime time

even." It summons up the prospect of a ridiculously vicious' circle: increased ads equalling reduced advertising effect equalling ever more ads.

In any case, would the view-ing public henefit more from a rigid application of the antitrust laws than it does from present arrangements and the television code? With the public already complaining about advertising clutter, it is hardly imaginable that even more commercials would he welcomed.

One fear looms large above are limited to 30 and 60 seconds the heads of the hroadcasters: in length. No more than four that too much advertising will consecutive commercials are drive viewers away from the medium altogether as a source allowed in any one commercial of entertainment, Deregulation break, public service announcements excluded, Since the numfever is currently in the air in Washington. It hit the airline industry and the haulage indusher of ads is restricted, costs tend to he enormous. According to one report, an American try may soon he going that ronte. Broadcasting Company spokes-

man has quoted the average But it is not at all obvious that any new arrangement price of a 30-second commercial allowing an increased number of commercials at lower prices during prime time at \$70,000. The most important determiwould stimulate any rise in nant governing ad prices is television viewership. In the advertising revenue in June ohviously the programming itend, the whole challenge may self. A major event, like the prove an exercise in futility. annual Academy Awards cere-

STAR STAR STAR

STAR STAR STAR STAR STAR STAR

STAR STAR STAR

STAD STAD STAD

STAR STAR STAR STAR

THE STAR STAR

SHIR STAR

STAR STAR

57.0 57.00

switches £3.5m out

IN ONE of the higgest advertising account changes so far this year, Renault UK is parting

It resigned the Leyland Renault on hoard although chairman John McCormick does not helieve there was a conflict of interest involved.

Mr. Alain de Saint-Victor, managing director of Renault UK, said: "I felt the need to work with a successful British agency which is an integral part of a strong international network. The decision to

appoint McCormick's was made after reviewing their UK automotive experience and their work for other clients." Harrison Cowley will continue to handle local dealer adver-

tising for Renault UK, NATIONAL TRAVEL COMincome. PANY has transferred its £750.000 National Express Coaches husiness from \_ J. Walter Thompson the to recently-merged Chetwynd Haddons wpt. following a general

review. JWT and BMPU were the other agencies on the final short-list of three. Chetwynd Haddons will operate the account from September 1: its hillings move to £11m. • HUMPHREYS BULL, billing

£4m after two years. Is to handle Slazenger's £350,000 UK and European account. • THE ITV companies' net was £32.4m, compared with £23.8m in June last year.

salesman on the road is now only fractionally below £14,000 -£13,965 compared with £12,046 in 1977. The latest Sales Force survey shows overall that the rate of inflation in this field was slightly higher last year than in 1977-15.9 pe cent against 15.3 per cent. The increase is in line with the increase in salesmen'a remuneration, which rose by 14.9 per cent in 1978, but there are major differences in the percentage rise of other cost items.

THE COST of keeping a UK

In the 1977 survey it was noted that to all intents and purposes there had been no increase in the cost of area management due to the tendency of many companies to assign larger territories to area managers and to handle key through specially accounta trained salesmen.

Last year there appears to have been some retrenchment, and the costs of area management rose hy nearly 22 per cent per salesman. Sales manage ment costs per salesman increased even faster, by 32 per cent

A few individual points are worth commenting on :-

Solesmen's remuneration: This rose by 14.9 per cent last year, which was in line with the nstional index of overall earnings. Among companies that co-operated in the survey there appears to have heen no further shift to the use of women merchandisers and the to reflect a true increase in

Cors: The average purchasa price of sales rep cars rose hy over 31 per cent, to £3,250; service and repair costa rose by 33 per cent. Among companies involved in the survey, Ford's share rose to 70 per cent of the total number of vehicles in-volved. Vauxhall, with 14 per cent, pushed BL into third place with ooly 11 per cent.

Awoy-from-home expenses: There are very few companies, about one io 15, that have representatives staying away from home overnight, but the expenses incurred in working from home bave risen substantially, hy nearly one-tthird. This reflects increased costs of petBY RUDI GOLDSMITH

PUTTION Si

COST OF A SALES	4AN	
	1977 (£)	1978 (£)
Cost of Recruitment (advertising, interviewing, etc)	96	114
Remuneration (including bonus, commission, prizes, National Insurance and		
company pension)	5.240	6,023
Company vehicle-depreciation services and repairs	477 250	515 334 179
licence, insurance, and non-insurable damage loss of interest on capital	158 - 245	291
Expenses for operations from home: 1977-40.6 weeks at £42 1978-41.9 weeks at £53	1,705	2,220
Expenses for operations from hotels: 1977—3.2 weeks at £127 1978—1.6 weeks at £156	406	250
Sales Manager (inclusive of secretarial expenses and overheads)	545	719
Area Manager (inclusive of expenses and overheads)	1,389	1,692
Wages calculation	46	57
Sales analysis	347	330
Secretarial (including overheads)	515	571
Stationery (daily reports, expense claims, postage, telephone, accounts)	437	478
Training	190	-192
TOTAL	12,045	13,965

rol. greater mileage in view of cost of using contract salesmen the cutting down in stayiogaway expenses, and miscellaneous items. Soles onolysis, secretariol ond

tion, expenses, car and petrol allowance, campaign planning, internol odministration: These administration and supervision. items show an oversll increase of less than 7 per cent, possibly accounted for hy the greater use costs of existing sales manageincrease in remuneration seems made of computers in paying wages, conducting sales analysis of maintaining sales forces and so on.

large enough to cope with ter-ritory relief, holidays, seasonal Given that the average salesman now spends 43.5 weeks a selling-in and new product launches, and the cost of using year on the road, the inclusive contract salesmen in these per salesman's working week has risen to £321 per week, This compares with the situations, widened even more last year than in 1977.



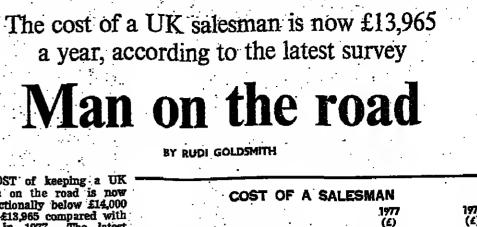
currently £220 per man/week

wheo working from home,

inclusive of personal remunera

Even allowing for the fixed

ments, the gap hetween the cost



EDITED BY MICHAEL THOMPSON-NOEL

of BMP pleasure of driving a car.'

company with Boase Massimi January 1 and transferring its account to McCormick Intermarco-Farner. Renault spent approximately £2.5m on UK advertising last year, may spend £1m more this year, and could raise its 1980 hudget even higher.

McCormick is now part of Intermarco-Farper which in turn helongs to the Frenchbased Publicis network which handles much of Renault's advertising throughont Europe. McCormick's hillings last year were £10m, hnt it has added on approximately £5m in the first half of this year and should bill at least £20m in Trucks account in order to take

the results of the Gallup November 1978 View-ing and Listening Snrvey. This is still the only comprehensive research on the total commercial radio audience, because it samples the whole of the U.K. The results show that 48% of 15.24s listen to 208 of which 2.1 million don't listen to an ILR station.

UXONERU

presents the

**1979 MARKETING** 

AND MEDIA MANUAL

The latest JICRAR Survey has simply confirmed

So if yon want to advertise effectively on radio phone. Guy Jackson: Sales Manager, on 01-429 .7401 and order your free copy today.

Britain's only. National commercial radio station 208m Medium Wave 1439 Khz.

atmosphere would enable in-dividual stations and networks to determine the amount and cost of commercial air-time to suit their own competitive

mony, broadcast via satellite to 51. countries, commands as much as \$225,000 for 30

-Should the Justice Depart-

ment sult sncceed, the advertising-time code may cease to

exist. As one anti-trust lawyer

pointed out, a more competitive

seconds.

needs. The question remains as to whether the networks and stations would flood the airwaves with more commercials in the absence of the code. The president of one New York advertising agency asserted that if the number of ads was allowed to double, the impact of each would be severely diminished. "We'd have to huy twice as many ads to stay

# After only eight months Express Newspapers Ltd. are proud to announce ....

Last year we announced a staggering increase in audiencethree quarters of a million new listeners. Now the latest JICRAR audience research confirms that in 1979 we have consolidated that gain, and even improved on it; and that our listeners are listening longer. than ever before.

### PLUS MORE LISTENERS

Capital Radio now reaches 5,020,000 Londoners every week-37,000 more than lastyear

PLUS MORE

LISTENING HOURS

More than any other radio

### **PLUS MORE ABCI ADULTS**

Up by 85,000 to 1.8 million.

### PLUS BETTER

Advertising on Capital now represents even better value as costs per thousand dip.

station in London. Capital Radio can halo you Call Tony Vickers, Sales Director, Capital Radio, Euston Tower, London, NWI-3DR. Tel: 01-388 1288

London's best media buy

The average net sale per day of the Daily Star during the period April to June as certified by the Audit Bureau of Circulations is 937,866. Our audited net sales for each of the three months are: April 880,918, May 917,183, June 1,011,116.



ABC

Britain's Fastest Ever Growing Daily.

# LOMBARD Where the AGR misses out

### BY DAVID FISHLOCK

20

Authority is 25 years old today. the absence of a follow-on It was set up as the repository project. of Britain's nuclear expertise, previously rooted in the Ministry of Supply, at a time power programme in response to its fears for a shortage of coal. The formuls bas been copied widely throughout the Western World.

Indeed. the UK AEA is much more widely respected today outside than within Britain. Why this should be ao is not hard to understand. Under the gentle diplomacy of its present chairman, Sir John Hill, who has held the post since 1967, it has been instrumental in strong feature of an otherwise fragmented and fragile new indnatry. The International Nuclear Fuel Cycle Evaluation. Panorama programme illuswhich President Carter bas persuaded over 50 nations to participate in, bas alreedy done much to confirm the essential sold, the size (and hence ecocommonsense of the UK AEA's international decisions of the past 25 years.

### Profitable

The UK AEA bas spawned two profitable subsidaries — behind. British Nuclear Fuels, with Perhaps the weakoess lies in group earnings approaching the fact that the AGR never £300m last year, and the Radio- seems to have had a patron; chemical Centre with earnings one man clearly identified with of nearly £40m. Both are wholly the idea and with making it a owned by the UK AEA at success and laying down basic present. although the govern- atandards, as Lord Hinton was ment is free to sell up to 49 per with its predecessor, the Magcent of their shares.

BNFL is also Britain's ahareholder in two of the most pressurised water reactor. successful inter-governmental venlures, nuclear namely the Anglo-German-Trenco, uranium enrichment Dutch company, and United Reprocessors, the Anglo-German-French company for reprocessing spent nuclear fuel. Urenco has orders in hand worth about £1.7bn. and United Reprocessors has orders worth about twice as much.

If the UK AEA bas a fault In its overseas image it is that nations even arrogant. This was the where in the 1960s it had given Britain a clear world lead. Since-then it has found itself else's expense.



THE UK Atomic Energy holding a diminishing asset in

issue.

kitty.

In Europe today the French have a clear lead of several years. Yet Britain may still be when the government was plan- able to produce the basis of a ning the world's first nuclear respectable partnership with the French on the strength of its experience with the fuel cycle.

But back at home the UK AEA bas a quite different problem. Understandsbly problem. enough, it wants to press aheed with its. own big fast reactor demonstration, the main purpose of its research programme today. But the nation's nuclear problem centres on the advanced gas-cooled reactor (AGR), the has been instrumental in UK AEA's own invention, forging inter-governmental part-nerships and collaborations, one

trated so harshly, the AGR has proved no match for its rivals, whether judged by numbers nomics) of reactor, or technical performance. Its advocates assure the public that it will be

a success, especially when newer modifications enter service in the mid-1980a lts critics allego that it is still slipping further

behind. nox reactor, and Admiral Rickover in the U.S. with the

The seeds of the AGR's dismal industrial performance were sown in the mid-1960s when, having contrived by an ingenious ploy to persuada the electricity supply industry to invest in the reactor, the UK AEA held aloof from the formidsble problems of engineering development and con-centrated on the fast resctor.

Reactors are very engineering systems; the pinnacle, some would say, of it has sometimes tried to exact less the UK AEA, as Britain's a price for partnership other reactor invenior, cao siso prothought unrealistic, vide or inspire the leadership needed to perfect the system. case, for example. In fast Brilain will do well to put its breeder reactor technology, faith in international partoerships and in transferring technology perfected at someone

6.20 Nationwide.

6.45 Holiday Report.

6.55 Dr. Who. 7.20 Top of the Pops.

8.00 Citizen Smith.

8.30 Resie.

9.00 News.

**Bank mistakes and bankruptcy** WHEN THE Chase Manhattan seems to have increased the risk entitled to stop the cheque when based on a principle established caused the bank considerable butcher was not met in the Bank in 1974, paid \$2m twice of mistake. over to the oow insolvent Israel

----

Britisb Bank in London, it made the parties about the facts of a painful mistake but one which the case. On September 12, 1976. the Royal British Legion did not create any difficult legal Mr. Justice Goulding Housing Association drew a cheque for £24,000 on Barclays held earlier this week that the payment made by mistake Bank in fevour of W. J. Simms obliged the Israel British Bank Son and Cooke (Southern), a to hold the money as trustee. firm of building contractors. That would have prevented the The cheque was sent on receipt money being mixed with other of an architect'a interim certificate nudar a building contract assets. Any receiver would have had to return the money between the association and the builders. However, on the folas long as it was still in the lowing day the National Westminster Bank appointed Mr.

Much more difficult legal pro-William Sowman as receiver of blems result when the bank the builders' company which bad run into trouble. Having honours a cheque by mistake which has been stopped by the client in anticipation of the pavee's insolvency, or when the on September 15 to stop paychent objects to a direct debit ment of the cheque. to his account made in favour The bank's computer was

of an insolvent company. immediately programmed not to honour the cheque. However, it reeched the receiver, Mr. Sow-man, who paid it in at a branch Computer risks of Netional Westminster with

An apprentice on the move

The question whether a bank instructions that it should be which overlooks its customer's specially cleared. The official at instructions to stop payment of the Barclays branch which B cheque can recover the money received the special presenta-was decided for the first time in tion overlooked the stop instruc-English law by Mr. Justice tion and credited National Robert Goff in a reserved Westminster on 16th September Westminster on 16th September Judgment of April 24, 1975; which was a Friday. Next second line of delence was that man Supreme Court, was consist notes returned, dismonotived, too the full text has only now Monday the cheque was rejected the bank could not recover the dering a similar problem. This, the butcher's savings bank become available. The im- by Barclays computer. The money because it had failed to arose from the stopping of The savings bank then debited portance of the decision is the association claimed that under give notice of its claim on the direct debits and, as in the, the butcher's account, but the greater as the use of computers the building contract they were day when it was paid—this was English case, would have. Tesulting claim against the

IT IS NOT often that an selves for Salisbury's Carnarvon

refused to repay the money to Barclays but put it in a separate account pending proceedings which Barclays started, claiming repayment of £24,000 from the building company and Mr. Sowman, the receiver.

### **BUSINESS AND THE COURTS**

said, was between the association and the receiver on the the dispute.

defence were, first, that the money was irrecoverable because it was paid in discharge

tbree-Lucinda Light, Saintly

Simon and Welsh Pride-face

the cheque was stopped the bank

BY A. H. HERMANN, Legal Correspondent

beard of this, the association money should be repaid to give an immediate notice of dist savings bank, to collect his in-telephoned Barclays at 9.20 am Barclays. The real dispute, be honour (protest) when the draft voices by direct debits on the question whether, under the was endorsed to another party, butcher to draw, by direct building contract, the associa- but this was not the case here. debits, additional monies up to tion was entitled to stop the The delay in claiming the DM 30,000 as credit. cbeque. But for the mistake of mistake did not in any way. The butcher became insolvent the head this would have been change the delay in the bark this would have been change the delay in the bark the ba the bank, this would bave been change the defendant's position in June 24, 1976 and bank-The main points of the \* \* \* \* \* \*

The first argument was rejected to justify the bank being left by the indge who said that after holding the baby. According to German law, a

was acting without mandate. As general authorisation given by for the Cocks v. Masterman a customer for direct debits on defence, he ruled that this was his accounts can be counter-The judge concluded that the ficiary of a draft who had to stance. The bank can debit his account according to debit limit on his credit. notes received from the authorised person but has to cancel these debits if the account holder objects. In the case before tha BGH, the dispute was between e savings bank and a trader. The trader anthorised one of his suppliers, a butcher who bed an account with the was unpaid on the due date. It fraders' account with his bank. could apply to a cheque which In addition be suthorised the

fore returned to Barclays. Four days later. In view of this the trader ordered his bank to ABOUT THE same time as the now insolvent butcher made of the association's obligation, Mr. Justice Goff was working on in the course of June which either under the building con- the stopped chequa, tha Bun amounted to DM 251,830. These tract or under the cheque. The desgerichtor (BGH), the Ger were cancelled and the debit second line of defence was that man Supreme Court, was consist notes returned, dishonoured, to

THEATRES

The trader paid DM 87,487

which he admitted owing to the butcher, to the trustee in bankruptcy. He claimed that he was entitled to the DM 251,830. partly because of his ontstanding claims against the butcher and partly because the butcher had overstepped the DM 30,000

### Transferred

However, the BGH would have none of this. The Karlsruhe judges reasoned that had the payments been made by normal means instead of by direct debits, the trader could not have stopped payment after the bankruptcy proceedings had been opened. Though the trader was entitled to countermand direct debits, he used this right for purpose which was not

intended. By doing so he had transferred the risk of the debtor's insolvency to the savings bank and this was nnfair and contra bonos mores The regional court which had decided against the savings bank, was told try the case again.

\* Barclays Bank v. W. J. Simms Son and Cooke and W. Souman (unreported).

+ BGH 11 2R 85/78 Judgm of May 28, 1979 (unreported).

THEATRES

2094 Mon to Set. 8. MARTE & BRUCE by Wallace Shawn.

ROYALTY, CC. 07-803 Rod. Wondsn-Trunndy steringr 200 Fildsy 5.00 and 5.45 Settering 200 For 3.00 BUILTINC BOOMS STEAM One of the most section multicals to years. New AD september of default. 0.24 STEALING BROWN STEAM BORDING OF DEFAULT OF A STEALING BROWN STEAM Not only does A hubble but it summers shows, shimmers and states from the states of the states from bootings of the states Arose bootings of the states from booting of the states

DRGES, THE ORLY ELIZABETHAN Tonell Park Rd. N7. 807 1122 Thes. and Sat. 4.80. Rugs. 7.30. Tonighe to Sat. JULIUS CASSIER

Wed next RICHARD TH

### ENTERTAINMENT GUIDE -

FORTUNE 635 2238. Evgl. 8.00. Mata Thurs 3.00. Saturdaya 5.00 and 8.00. AGATHA CHRISTIES MURDER AT THE WICARAGE FOURTH GREAT YEAR

OPERA & BALLET OLISEUM, Credit Cards, 01-240, 5258 Reservations 01-836 3161, ENGLISH NATIONAL OPERA Season opens Avg. 6: 2 Cycles. The Ring or the Nibelang. Die Fledernaus, Le Traviata, Booking Is new open.

GARRICK, CC. OF 836 4607. EVA. 8.00. GARRICK, CC. OF 836 4607. EVA. 8.00. OFINIS QUILLEY IN MAR. LEVIN'S. NEW THRILLER "THREE CHEERS FOR TWO HOURS OF VERY INGENIOUS VERY FUNNY, MARVELLOUS ENTERTAINMENT, TEI. "VERY EXCITING," FIR. TIMES.

Traviata Bookino Is now open, COVENT GARDEN. CC. 01-240.4066. (Gardencharpa Credit Cards 01-836 6503). THE ROYAL DPERA Ton't 6 Sat 7.30 Holomenca. Caralleria russicana/Pasifiacci. 25 Jelv-4 Abases MARTHA GRAHAM DANCE CONFANY with Lizza MINNELLI (25, 25, 25, 25, 30 July, 23 Jely Gals Perf. Innoduzat by Martha Graham In the Presence. of Ner Royal Highness Primoses Alexandra. Patrons Should be Sented by 7.20. 85 Amphi Sents Aveil, for all pers. from 10 am on day of perf. GLOBE THEATRE CC. 01-437 "502, Red. Price Orevs. Evenings: at 8.0. Opens July 25 at 7.0; ANTON RODGERS GEMMA CRAVEN OIANE LANGTON ANDREW C. WADSWORTH DAVID HEALY IN SONGBOOK A new

CLYNDERDURNE O273. 61241-613424. GLYNDERDURNE O273. 61241-613424. Sold Dur-possible returns only fanish-tat Men dossible returns only fanish-rom, Sen 6 Yues at S.10. Cost see text. Tomor, Sen 6 Yues at S.201 La Fedetts premiata with London Philingmanic Orchestra, SUNTAY TRAINS have been gratic and SUNDAY PARTRONS are advised that performances will start, unchally and will not necessarily be delayed it trains are late.

ROYAL FESTIVAL HALL 01-928-3191-Monday Next-One Week Only. PEXING OPERA Ergs. 7.20, Repertoire includes: At the Crossroads Ina, The Imperial Concubios gets Drunk, Halting the Horse, The Automa River, Phoents of Fire, The Yandang Mountans, Wornen General's of the Yang Family.

SADLER'S WELLS THEATRE, Rochert Ave., EC1, 01-837 1872. BALLEY RAMEDIT Evs. 7.30, Cruel Garden Aug, 21-Sept. 1: The Scottish Ballet.

Aug, 21-Sept. 1: THE SCOTTISH BALLET, WESTMINSTER. CC. S. 01-834 0283: 2793. 7.45. Mars. Wed. and Sat. 300. THE MISICAL THEATRE COMPANY COMPANY COMPANY THE MISICAL THEATRE SCHOOL THEATRE COMPANY COMPANY THE MISICAL THEATRE COMPANY COM

THEATRES

ADELPHI THEATRES - 01-336 7611, Erronogs at 7,30 Mats. Thers, at 2,300, Sets. et 4.00, "GLORIOUS FARCE." Div. Tel. CHARLEY'S AUNT

ST. MARTIN'S Credit Cards, 135 1A43 Frenings 8. Mat. Thins. 244 545 54 8 AGATTA CHRISTIES THE MOUSETRAP WORLD'S LONGEST. FYER RUN 27th YEAR GREENWICH THEATRE. CC. 01-958 7755. Evenings at 8.80 Laberal, Mal. Set. 2.30 CHARACTERS TH SEARCH OF AN AUTHOR. "I unde everyone" to sea.72. S. Tel. Tickets from £1.80. SWARTESBURY, 836 6596, CC 836 4255, From 7.45, Frit, and Set 5 and 8. BAWDY COMEDY MUSICAL LAST TWO WEEKS OF BEASON and July 224, 4. HAYMARKET. CC. 01-930 6832 Evenings 8.00. Wed. 2.30 Sat. 4.30 and 8.00 KEITH SUSAN MICHELL HAMPSHIRE

THE SHERLOCK HOLMES MYSTERY THE CRUCIER OF BLOOD by PAUL GIOVANNI "The king of spectacle I, change hor "since boyhood ... terribe stuff." New STRAND. 01-635 2660. Evening 1.00: Mata. Thurs. 3:00. Sans. 5.30. end, 8:30 NO SEC PLEASE WERE BRITISH LONICEST-RUNNING COMMENT DR THE WORLD.

HER MAJESTY'S. CC. 01-930 6506. Evenings 3.00. Fri.. Sat. 5.15 and 5.42. AIN'T MISBEHAVIN' The New Fats Walter Master Show "A RIOTOUS HIT." Dalls Mail "JUBILANT. THE JEST. PERCOMMANCE OF ANY MUSICAL IN LONDON." Obs. TALK OF THE TOWAL ACL HALMAGOST AIR CONDITIONING. CERDIT CAROS. I CELEBRATING 2T XEARS. FROM 8.00. Distor war Combine. 9.00. SUBJECT WAR COMBINE Sector Control of Control of Control BUSSI At 1T. THE DELTA RHYTHIN TRYS From Mon. SUDDY CRECO KING'S MSAD, 01-226 1915. Dat. 7.30. Show 8.35. FIFTY WORDS, 8515. OF LENNY BRUCE. "Certain octs are just shoer brillance," Time Out."

AND JULIAN MORE

Sheet Brillance, Time Out. LYRIC THEATRE, CC. 01.437,3606. South States and States and

From Mon. BUDDY GRECO VADDEVICLE. CC. A 436 99485 Ers. 0. Mar. Work 2.85 Set. 5 and 6.30 Ers. 0. Mar. Work 2.85 Box And C. C. BED NICH Shear. Maining Frid The FAMILY, 100 Shear. Maining Frid The Statistics Frid Statistics Frid MICTORIA. PALACE. CC. 01-825 4735-6 Frg. 7.30 Mais. Web. and Sal. 2.45 STRATFORD 10HNS in MISICSTAMS, 5MASH HIT. Best Musical of the real Article Covent Garden, Box Office 836 6808; Royal 229 [12] Ton't 7:30 David Rodkin's', the pode "Tot" All Seats 52:10 Students 21, 10 in acr. Adv bksz Aldwych Students 21, 10 in acr. Adv bksz Aldwych

when gettiog up in the final strides to heat Another Dove In a finish the pair had to them-Hart, 5.53-6.20 pm Reportiog Scotland, 12.05 am News and Weather for Scotland.

Wales-Between 2.15-4.20 pm (During Golf: The Open) Bowls: 1979 Brilish Isles Championships. 5.55-6.20 Wales Today. 6.55-7.20

the 5 lb allowance rides in two

meetings in one day with fan-

ton in his quest for winners.

prospects are Mary Green,

cied mounts at both meetings, Taylor's

Early Tudor, a Tony Ingham-Swinburn today. This afternoon trained daughter of Royalty, showed her first form since Swinhurn, who heeds the Crown Plus Two apprentice championdead-heating for a minor event at Brighton last summer when running fourth bebind Judicial RACING in Sandown's Victoria Handicap BY DOMINIC WIGAN

after being badly hampered approaching the two-furlong mark. But for interference at that crucial point, Early Tudor ship with 15 winners, will ride would, I feel certsin, have featured in the finish. Well treated on 7 st 7 lb mark in this at Bath and then travel to Kempevening's mile handicap, Early My idea of Swinburn's best Tudor should be well worth an interest.

among the runners for the Soorerset course's Hamilton Earlier in the evening, it will Handicap, and Early Tudor who be a major surprise if Runnett goes for the evening meeting's Mortlake Handicap. The Sahlb loses his unbeaten record in the Wren Stakes. John Reid's mount, comfortable conqueror mare, Mary Green, proved that of the subsequent July Stakes winner, Final Straw, on his debut at Newmarket, went on she is returning to her best to crush Stormont at York. Just

> 11.00 The Sweeney. 12.00 What the Papers Say. 12.15 am Close: Personal Choice

hy George Baker. All TBA Regions as London except at the followiog times:-

apprentice still entitled to claim Challenge Cup over B mile and the Marriott youngster, six furlongs. The extra three furlongs of today's race will Sir Desmond Plummer, the present no problems for Pat chairman of the Horse Race Betting Levy Board, today gives cied mounts at both meetings. Taylor's Upper Lambourn but this is the case with Wally trained five-year-old. details of the 1980 prize money scheme in which, for the first time, the board's contribution

to prize money is to exceed £10m. The allocation of £10.134,400 represents an increase of some 7.5 per cent over the 1979 contribution.

BATH

2.00-Rodin\* 2.30-Alicum 3,00-Mary Green\*\* 3.30-Maiden Pool

4.00-Regine Magna 4.30-Pithead **KEMPTON** 6.40-Runnett 7.05-Glenhawk 7.30-Gnsty's Gift

8.00-Early Tudor\*\*\* 8.30-Manrico 9.09-Gema Ross

Island. 10.35 Andy invine at the Embankment. 11.05 Sidestreet. HTV Cymru/Wales—As HTV Genetal Service except:1,20-1.25 pm Penawdeu Newyddion Y Dydd. 4.45-5.20 Seran Wib. 6,00-6.15 Y Oydd.

HTV West-As HTV General Service sceol: 1.20-1.30 pm Report West

SCOTTISH

SCOTTLISH 10.30 am Friends of Man. 10.50 Overars. 11.10 Space 1999. 1.25 pm News. 4.20 Bailey's Bird. 4.60 The Squirrels. 5.15 Popeye. 5.20 Cross-roeds. 6.00 Scotland Today-Summet Extra. B.30 The Beveraly Hillbillies. 7.30 Thundercloud. 5.00 The Straets of San Francisco. 10.28 Scotrish News Heedlines. 10.30 Late Coll. 10.35 About Geelic. 11.00 Take the Mick-Ouko Ellington. 11.35 Berney Miller.

SOUTHERN

TYNE TEES

Headlines. 6.15-6.30 Report West.

BBC 1

6.40-7.55 am Open University (Ultra high frequency ooly), 10.55 Golf: The Open. 1.30 pm Playboard. 1.45 News. 2.15 Golf: The Open. 4.18 Regional News ment.

15

England (except Loodon). 4.20 Play School (as BBC 2 11.00 am). 4.45 Captain Coveman. 4.55 Blue Petcr Special Assign-5.40 News. 5.55 Nationwide (London and South-East coly). F.T. CROSSWORD PUZZLE No. 4.025



24 Winged horse needing coat

#### DOWN

- 1 Beam at Mr. Grimond get-
- ting one on the way (5) 2 Colour that is little guide (7)
- 3 Survived being tenth bat lo
- be dismissed by newsman (9)

9.25 Person to Person (Sir Freddie Laker). 10.05 Royal International Horse Show. 11.15 The\_Feather and Father

Gaog. 12.05 am Weather / Regional News.

Al Regions as BBC 1 except at the following times:---

Scotland-9.40 am Magic Roundabout. 9.45. Jackanory. 19.40 Pixie and Dixie. -10.10 The Boy from 5B. 19.35-10.55 Take

Heddiw. 12.05 am News and Weather for Wales. Northern Ireland-1.18-4,20 pm

Northern Ireland News, 5.55-6.20 Scene Around Six, 12.05 am News and Weather for Northero Ireland.

England-5.55-6.20 pm Look East (Norwich): Look North (Leeds, Maochester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton): Spotlight South-West (Plymouth).

BBC 2

the Royal Alhert Hall.

starring Clint Easlwood.

.

LONDON

ANGLIA

10.35 em England Their England. 11.00 Chopper Squad. 11.50 Certoon Time, 1.25 pm Anglia News, 2.00 Houseperty. 4.20 The Beachcombers. Houseparty. 4.50 Ths Houseparty. 4.20 The Beachcombers. 4.50 Ths Next Visek Show, 6.15 Makin' It. B.00 About Anglie. B.20 Arens, 7.30 Thundercloud. 8.00 The Incredible Hulk. 10.30 The Brien Connel Interviewo. 11.00 TV Movio: 'Oceth Stelk.'' 12.25 cm The Living Word.

ATV

ALY 10.30 am Spidermen. 10.50 Gardon-Ing Todey. 11.15 Lucan. 1.20 pm ATV Newsdeak. 4.20 Jonny Ouest. 4.60 Sierre. B.00 ATV Todey. 7.30 Thunder-cloud. S.09 Chertie's Angels. 10.30 Formet V. 11.00 Columbo.

BORDER

**BURDER** 10.35 em Who's Alraid of Opers. 11.00 Cartoons. 11.05 Lagen's Run. 1.20 pm Border News. 2.00 House-party. 4.20 The Life and Times of Grizzly Adems. 5.15 Malin' Ir. 6.00 Lookaround Thursday. 7.30 Thunder-claud. 8.00 Hawaii Five.0. 10.30 Oevino Country. 11.00 The Love Soct. 12.00 Border News Summary. 6.40-7.53 am Open University.

CHANNEL

CHARVICL 1.20 pm Channel Lunchtime News end Whet's On Where, 6.00 Channel News, B.10 Coll it Macaroni, 7.30 Untamed World, 8.00 The Libersen Social, 10.28 Channel Lata News, 10.32 A Linto Goes a Long Way, 10.50 Mrs, Columbo, 12.35 em Actuelitiss st Projections.

GRAMPIAN 8.25 am First Thung, 10.30 Carboon, 10.50 The Story of Wins. 11.16 5 Teizan. 1.20 pm Grampien News Headlines. 4.20 Little House on the Prairie. 5.15 Beiley's Bird. 5.40 Police Newsioom. 8.00 Gram-oian Today. 6.10 The Roll Hatris Show. 7.30 The Incredible Hulk 10.30 The Magrarbuilders 1.00 The Swesney-12.00 Reflections. 12.05 am Grampian Lato Night Headlines. GRANAD: 9.30 am A Place to Live. 9.45

GRANADA

GRANADA 10.30 em Sasame Strest, 11.25 Ths Lost Islands, 11.50 Carloon, 1.20 pm Cartoon 5.10 The Undersas Adventures ol Caotain Nemo, 5.15 Crossroods, 6.00 Graneda Renorts, 6.30 Whet's On Naxt? 7.30 Thundetcloud, 6.00 Richio Srockleman, 10.30 What's On, 11.00 What the Pagets Say, 11.20 Oan-August. HTV

HTV 10.35 am The Lost Island. 11.00 Oodo the Soace Krd. 11.05 Animated Classics. 11.50 Oick Tracy. 1.20 Pm News. 4.20 Rocket Robin Hood. 4.45 Report West Headines. 1.25 Roport The Life and Times of Grizzly Adams. Wales Headines. 4.20 Spiderman. 4.45 8.00 Calendai I Emley Meer and Belmont aeilsy's aird. 6.15 Jobline Newsdesk. 5.20 Crossroeds. 6.00 Report West. B.15 Report Wese. 6.30 Cabebages and Orra. 11.50 Pro-Celebrity. B.15 Report Weles. 6.30 Cabebages and Orra. 11.50 Fentasy Island. 11.55 Kings. 7.20 Thundsrcloud. 8.00 Fantasy

Orchastra, per 2 (St. 1.00 Newo. 1.06 Bristol Lunchlime Concert (S). 2.00 "La Batteglia di Legnano," opera in four actis by Vardi, Acts 1 and 2 (S). 3.00 Interval Reading. 3.05 "La Battaglia di Legnano." Acts 3 and 4. 4.20 Lutaslawski chamber music (S). 4.50 Herosichord inacital (S1. 6.25 Horneward Bound (S). 45.45 News. 55.50 Horewerd Bound. 48,15 At Home. 7.10 Pied Pioer (S). 7.30 "Ecosom Dowos." play by Howard Brenton (S). 9.30 Holland Festivial 1978 (S). 10.00 Mind. Mattet and Machoniam. 10.45 Janis Veksralls oisno rocital (S1. 11.15 Jach Cantatas (S). 11.55-12.00 News (S). 11.55-12.00 News (S). 11.56-12.00 News (S). 11.55-12.00 News (S). 11.55-12.00 News

RADIOCondensityLondoners.8.30 Sout 75. Nobe Late6.00 am News Briefing.5.10 FermingToday.6.25 Shipping Forecasi.6.20Today.6.25 Shipping Forecasi.6.20Todsy.8.25 Yesterdey in Parliomant.12.05 am Question Time.9.00 News.9.05 Mid-week with BennyGreen.10.00 News.9.00 News.9.05 Mid-week with BennyGreen.10.00 News.9.00 News.9.05 Mid-week with BennyGreen.10.00 News.9.00 News.10.05 Lar's GetThis Sattled.10.00 Orily Barvica.1.40 News.10.00 Star Yesterdey in Parlionant.1.40 News.10.00 News.1.20 pm You and Youra.1.227 Warther.1.40 The Archers.1.55 ShippingForecast.2.00 News.1.40 The Archers.1.55 ShippingForecast.2.00 News.1.40 The Archers.1.55 ShippingForecast.2.00 News.1.30 News.3.00 Praview of1.40 The Archers.1.55 ShippingForecast.2.00 News.1.30 News.3.00 Praview of1.40 The Archers.1.55 ShippingForecast.2.00 News.1.00 Tany Myst's LateShow (S).1.00 Tany Myst's LatePrime Minister.3.00 PM: News4.35 Story Time.5.00 PM: News RADIO 4 **RADIO 3** (48.55 sm Weethor. 7.00 News. 7.05 Overture, part 1 (S). 3.00 News. 8.05 Overture, part 2 (S). 9.00 Nowe. 9.05 This Week's Composer: The Wosleys (S) 9.56 Cello Asuarc by Bach and Besthgten (S) 10.20 Amorican Songs (S1 11.05 Bournemouth Symphony Orchestia, part 1 (S) 11.50 in Shory Orchestia, part 1 (S) in Shory (ak): 42.00 Oournemouth Symphony

magnzino. 5.50 Shipping Forecast 5.55 Weether: programme news. 6:00 News. 8:30 Arain of Britain 1973 [S1, 7:00 News. 7:00 The Archers. 7:20 Tims for Verse. 7:30 Peblo Casals 1876-1973, part 1: Schumann, Mozart (SI, 8:30 Parliamentery dobate on capital gunstment. 70:00 The World Tonight. 10:40 Any-Answera? 11:00 A Book st Bedtims. 11:10. Tho Financial World Tonight. 11:30 Todsy in Parliament. 12:00 News.

YORKSHIRE

BBC Radio London 5.00 Em As Rodio 2. 6.30 Rush Hour. 5.00 Em As Rodio 2. 6.30 Rush Hour. 5.00 London Live. 12.03 pm Call In. 2.03 208 Showcese. 4.03 Nome Run. 6.10 Look, Stop, Listen. 7.30 Bieck Londoners. 8.30 Soul 79. 10.03 Late Night London. 12.00 As Redio 2. 12.05 em Question Tims. 1.05-5.00 Join Radio 2.

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ROYAL SHAKESPEARE COMPANY in repertoire Today 2.00 and 7.30 John O'Kesffe's WiLD GATS "More fun than simost anything on the London Stage." Guardian. With Mikhail Balgakov's THE WHITE GUARD Homor). ANTONY AND CLEOPATRA Isold out antil 28 Julyi. RSC siso as THE WAREHOUSE (see ander W.

SUUTHERRY 10.30 om Lost leiende. 10.55 Linke Houns on the Preirie. 11.45 Helas and Bachelor cartoon. 1.20 pm Southern New3. 2.00 Houseparty. 5.15 Melo-toons. 5.20 Crossroeds. 6.00 osy Sv Osv. 6.30 Cabbegas end Kings. 7.30 Thunderclaud. 5.00 The Incredible Huik. 10.30 Soothern News Extre. 10.35 People Rulei 11.05 The New Avengers. ander Wi. AMBASSADORS, CC. 01-838 1173, ET. 80. Fri. and Sat. 5.30 and 8.30. DIN SOLE LANDEN OAVIO SURKE MIGELA OWN.

BINS BOL PALS AND SEL SAD BLOWN, DINSOLE LANDER, ANGELA OGNIN, BODINS by JAMES SAUNDERS by JAMES SAUNDERS "THE IMPACT HT ME LIKE A THUNDERBOLT FROM JOVE, THE LANCUAGE BLAZSS WITH WT AND INTELLIGENCE AND ITS THEME ELECTRIPIES, "Gaily Mail BODINS "WHEN WE NAVE LAUGNED AT ITS WIT, BEEN HELO NY THE GRIP OF ITS ORAMA AND REVELED IN THE COLOURS AND LAYERS OF ITS LAN-THEN WE NAVE LAUGNED AT ITS WIT, BEEN HELO NY THE GRIP OF ITS ORAMA AND REVELED IN THE COLOURS AND LAYERS OF ITS LAN-BODINS AND LAYERS OF ITS LAN-FORMANCE IS WORTH GOIND MILES TO SEE." BETT FERTORMANCE IN AN MODERN MLAY NOW TO BE SAEN IN LONDON." EN NEWS. APOLLO THEATRE. CC. 01-437 2603. EVS. 0.0. SaL SJO AND KOMEY DE SAEN IN LAVENDER TIMOTHY JULIA FOSTER IO APPLS OTHEATRE. CC. 01-437 2603. EVS. 0.0. SAL SJO AND KOMEY DE SAEN IN APPLS THEATER CAN THE GEING BOLING THE AUTHORS OF "BOETING BOEN" THE AUTHORS OF "BOETING BOEING"." WILL PROBABLY RUN AND RUN." CHIM MAIL ARTS THEATRE. 01-836 2132. TOM STOPPPAPO'S **TYNE LEES a.25 em The Good Word Iollowed by** North-Fael News Headiness, **110.30** Morning Movie: "Here Come Tho Huggetts." starning Jeck Warner end Kathleen Harrison. 1.20 pm North-Eest News and Lookeround. **4.20** Beech-combors. **4.45** The Little Houss on tho Preirice. **5.00** Northern Life. **7.30** Thundarcloud. **8.00** The Streets ol San Fiancisco. **10.30** Ocubie Top. **11.05** What's On Next? **11.30** Sids Street. **12.30** am Epilogue. **114 CTICD** 

Cally Mail. ARTS THEATRE, 01-836 2132. TOM STOPPAPO'S DIRTY LINEN "HVIariaus . . . do see II." Sun. Timss. Mondaw to Thereday 8.30. Friday and Saturday 7.00 and 8 15. NOW IN ITS 4th YEAR. WESIWAKD t10.50 sm Festure Film: "Hera Coms The Huggotts," starring Jack Weiner. 12.27 om Gus Haneybur's Sirthdays. 1.20 Westward News Headlines. 6.00 Westward Diery. 7.30 Miss Westward 78. 8.09 The Liberace Special. 10.32 Westward Late Nows. 10.36 Politics Wast. 10.50 Mrs. Columbo. 12.35 em Feith For Lits. 12.40 West Country Weathor and Shloging Forecest. WORVESTIDE F

NOW IN 175 4th YEAR ASTORIA. Charing X Rd. S. CC. 01-734 4281 or 438 E031. Mon.-Rars, 8 pm. Fri. and Sat. B and 6.45 pm. LIVE ON STAGE " ENERGY AND VITALITY AND SHEER EXUBERANCERASE" AS SLICK. SMOOTH AND SLEEK AS IT SHOULD BE." The San. "Group bookings 01-437 3ESS SOULEVARD. THEATRE, Walkers Court. Brown THEATRE, Walkers Court. Brown THEATRE, Walkers Court. Brown THEATRE, Walkers Court. TAYLOR. THES TO Sat. 8.30. Sam. 0.30. CAMBEDGE, 01-835 5075. Also Court.

TAYLOR. Times to Sat. 8.30. San. 6.30. CAMBRIDGE. 01-836 6055. Also opens. Sun. 11 am.7 PM. CC. 01-636 7040. Man. Thur. 808. Fri. and Sat. S oo and 0.30. THE CRITICS. RAVED ABOUT CHICAGO ABOUT THE KIT BROADWAY MUSICAL FROM AUG. 8: Mon. to Fri. 8 pm. Thur. 3. Sat 5 ard 8.30 pm. Grosp backings 01-437, 3858.

PRINCE EDWARD, CC, 01-437 6877. Evenings & O. Mass. Thurs. Sal. 3.00. by The Rice and Acces. Love Webber. Oracled by Harod Proce. Group backings 01-437, 3088. CHICHESTER FESTIVAL THERATRE, 0243 781312, Spason sconsored by Mertini & Rots: The Importance of Being Earnest, Today, Tomar, 700, Sat, 200 THK EAGLE NAS TWO HEADS, Today 2.00, Sat, 7.00. PRINCE OF WALTS CL. 01-930 0581. Carty bookies 930 0845: Mon. These 000, E-1, and Sats 8,00 and a set August Aver Bourn's smash-bit comon the set of the set of the set of the set of yes, don't hash site me." D. Exp. A National Thesite Production. Over 300. Performances. 2.00. Sail 7.00. COLLEGIATE THEATRE. 01-308. 7824. 367 9623. Tom Stoppard's lattes play. DOGG'S HAMLET, CANOOTS MACRETH by the Erflish American Repectory Company. World Premier Tour. Limited Engagement. July 9.Sept. 1.

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JU-30 PTL - Johnson, Jenton, & Ser. SAVOY, THEATRE, 01-836.-3568. VILL, CATERISON , Brits - 1752, 300 VILL, CATERISON , Brits - Theatre, VILL, CATERISON , Brits - Theatre, WHOM LETTER S. IJ ANYWAYT WAY End, Theatre, Averall WAY End, Theatre, Averall VILL, CLETTE, Manager, Marganet, Serie 4, Site 8 15 and Scall Area Proc Mathematical Series Averall Series 4, Site 8 15 and Scall Area Proc Mathematical Series Averall Series 4, Site 8 15 and Scall Area Proc Mathematical Series Averall Toth INCREONALE YEAR BRURY LANE CC 07-638 2108 Evos 8 bm. Fridy and Sat. 6 pm and The Rie Extraventation The Rie Extraventation ERASIL TROFICAL The discars vibrate oscillate, and outsats, while topiess, ves freshalbe their bsubisa, bangles and beads." Is, News.

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LAST. WEER. ENDS. SATURDAY. LYRIC THEATRE. CC., 01-437 3858-Prevs. Irom 26 JBI's at 3. Mats. Wed. 5 Sat. at 3. Opens 31 July at. 7. Subs. USSICA HUME TANDY CRONYN In the 1973 Pullibar Prise Day - dructed by - dructed

OLO VIC OLD VIC COMPANY

WESTMEINSTER. - CC. OT-BIG DEST Addivide WESTMEINSTER. - CC. OT-BIG DEST GILBERT AND SULLIVANS. - OD. ''A good show. Very colourtui. lively and exceptionally well sume. sockan. and acted. Evening Standard. The words, lobles and spirit of sabre Gidgetwer been so clearly amplified sins: Gidgetwer been so clearly amplif

WINDMELL. CC. 01-436 5372. Nightiv st 8:00 and 10.00. Sun, 8:00 and 0.00. Paul Raymond presents. RIP OFF. The serotic experience of the indeem era. Now showing new second exition. New pins, new scts, new production.

WYNDHAMYS From B.30 am Inc. Suns. DI-535 2022. Credit Card blos. 0.56 2077. Mon Thurs 8.00. Fri. and Sat 5.15. 8.16. ORMOUSLY ATCH. Mary ENGRANOUSLY ATCH. Distory Strategies for religion. Very Juny Cartholic Constance Daily Tel. Ministra Sec and religion. Daily Tel. Ministra Guardian.

be Artnur Schnutzner III a version by some Stoosard. A TITELTON (organerium stage): Ton's 6 Tomor 7.45 CLOSE OF PLAY new play by Simor Gray. COTTESLOE (Small asditorium): Mon. to Sin. at 8.00, Michael Herr's DISPATCHES. adsided for the stage by Bill Strylen and-the (company, (berhaps not softable for children.)

The company (Derhaps not sirrang for children) Excellent; (Desp: sents from 1d em day of pert all, 3 theatree Car perts, restaurant 928, 2033, Credit card book-ings 528 3052; Air, Conditioning; 81, 328 3052; Air, Conditioning; YOUNG VIC. 028 8363 Fras. 7:30. A. Rock Musical FAUST.

CINEMAS

ABC 7 & 2 Shalf abury Ave 233 BEFT. Sen. Perts. Allfastary Ave 233 BEFT. 2:15 7 30. 70 nm Onko. Wit & Sun. 2:15 7 30. 70 nm Onko. Wit & Sun. 2:10 A Start Start Birly Avers. Wit & Sun 2:00: 5.00. 8:15 Late show Fr. 3 Sat 1:15 CAMOEN PLAZA, Camdes Town: 01-885 7443 Cany 2.00. 4:10, 6.25. EAS. nds 2:00 A Start Start Start Start Start 2:43 Cany 2:00 A 10, 6.25. EAS. nds

LANCHE 25, 4.10. 5.25. EAS. nds CLASSIC 1. 2. 3. Haymarker [Piccadiliy Pross. daily 2.00.4.10. 5.25. 5.45. Ends TRANCS TAL. IN Dolby Stered. Pross. 2. Lee Marsing Robert Snaw AVA. LANCHE EXPIRE ROBERT Snaw AVA. 3.6 George Hamilton. Susan 54. James B.50. 8.00. Sunday at 7240 OLD TIME NURSIC RALL OPEN SPACE, 367 8869, Tues 15 Surray 8 sm., David Mamer's: A LIFE IN THE THERAFRE WITH Freddia Jones 4. Parrick Rvtart. PALACE. Mon-There, 5.00, Prl. Sat. 600, 8.40, IESUS, CHERT SUPERTAR Northere, 500, Prl. Sat. 600, 8.40, IESUS, CHERT SUPERTAR NOT SING CHERT SUPERTAR THE RUSS and Anadrew Liggl Webber-THE RUSS and Anadrew Liggl Webb

CLASSAC 1, 2, 3, 4. Owford Street, 530 0310. Dope. Torrenham Const Rd. Tabao 11 J. R. Takken THE LORD OF TAL RENGS Let. In Dolby Started, Pross. 1 DO 1453, 530-520. Special Concessions br

Thous articles. Program Concessions for 2. (CRNTHORY FILED MO VIE (X), progs. 2.00. 4.20. 8.40. 8.45. 3. Constants Law. Oliver Tobias 1.45 4.00. 6.11. 3.36. 1.45 4.00. 6.11. 3.36. Dorgents Barries. Richard Beckingie 3.20.

PHOTNES THEATHER CC. 01-DISC 2202 FW-4.000 West 3D00-Sal 500 and 3.20 MAGGRE SHITT PATRICS MOWER IN TRIGHT AND DAY A new Jay TOM STORPARD Directed by Fest Wood REST 2LAY OF THE YEAR Evenas Sandard Drama Award CLASSIC, Leicester Square, 930 5915 Let Marvin, Robert Shaw Avalanchie Bornerss (A), 12.25, 2.00, 470, 6.25 Eviding Separated Drama Award. PICCADIELY. From B. JO and Inci. Suma. 437 4306 CC Boochase US 1077. Eves. R. JUNE - AL SUM S. JO. S. JO. HANNAH GORDONI CAN TOL. HAAN ME ANT THE BACKY WONDERFUL PLAY WITH WONDER-FUL PERFORMANCES. NOW. "AUTOCIDATE AND WITY O EXO AS JUPERAL ABSORBING FIELE OF ENTERTAINMENT. The Sum.

CLASSIC POLY OWNED Circus (Upper Redent St.1 577 9853, THE BOYS FROM SRAZR (CC: 7 107 455 546 BLAND OF OLATH CC: 8.15 7.00

CURZON, Curzon Stret, W1, 498 2737. CURZON, Curzon Stret, W1, 498 2737. ALP, HEMICAN DU From 200 chot Strethers (U) From 200 chot Strethers (U) From 200 chot as out could when Walker, svenung Strether

FICESTER SQUARE THEATRE-0.50 3252 BOTCH AND SUMILANCE-THE LARLY 615 SM, SC. POTA WS. 1.45, 5.00 8.16 Sm. 3.30, 2.50, 1.48, 1.60, 300 8.18 JOSE MAL. F. A. AND AND STORE Sat AND SAT NO Intershow BOOKING.

PRINCE CHARLES Loke Se 437 EI 81. PRINCE CHARLES Loke Se 437 EI 81. DUSTIN HOLF NAM VANESS HOFFMAN Sep. Pers DENY TIRE Sur. 7 230 835. Sels Lato Show Mrt and Set 713. Werts Ekble. Lie'd Bar. From July 28 Wing CAL Ser Office Open-Back Rom.

CINE 44: 597 Office Open-Rook Non-CINE 3. Loic. Sc. (Wardour S.). 418 TOUNC PRANKENDERING (AA.). 400 520 S.S. SLENT MOVER (A). 145 7.35. Late show, Ari. and Sat. 10.55 STUDIO 1.4 Sa Carlord Circust 437/3500 LICENSE HAV 1.418 SHOW ANT TO SA CARL AND SAL. 10.55 STUDIO 1.4 Sa Carlord Circust 437/3500 LICENSE HAV 1.418 SHOW SAL TO SAL TAG. AND SHOW SAL TO SAL THE SAL

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ODEON JELCHITER SCUARE 930 6111. MOONARAER (A. SCD-Parts With Goots ones 1.00 4.20 7.35 Son Boors Open 1.00 4.28 7.45 Cate Might Show Twes-Sal doors open 11.15 Might Junce or by page U advance at Son CHEE SOD Performances. CUEENTS INEATRE, CC 107-754-1156 EVEST & SALS S and 5.18 Wed mail 3. FRANDING Fin. This SALE COULDED FOR THIS SALE COULDED FOR THIS SALE COULDED FOR THIS ALTERNATIONARY BY C. P. TAYLOR. MARKENGER DUCKING, MAX ST STREAM ADUCT AND, COMO, D. Mak ODEON MARBES ARCH. WZ 723 2011.2 THE SHAPE OF THINGS TO COME (A) Sep. Derit. Werk doors open 1000 445, 745. Gun. doors open 100 115 Late Night Show Set doors ppen 11.00 om. Financial Times Thursday July 19 1979

beautifully played and embel-

deserves' a gentle ride, and he

got one from this ecstatic

In contrast Lena Horne keeps

disco numbers and contempor-

# THE ARTS

### Grosvenor House

# Count Basie/ Lena Horne

### by ANTONY THORNCROFT

andience

To celebrate its 50th anni-ment, with Count Basic having versary the Grosvenor House, perhaps the best of it. Not a has brought over Count Basia Suspicion of a surprise here, and his Band, and Lena Horne, just the oldest of old fsvourites and his Band, and Lena Horne, to grace its Great Room for the Burope, has put up with such Perhaps Basie makes it an 'fancy dress and debs' halffancy dress and debs halls, and there was a sense of occasion on Tuesday night London has too few show biz extravagances. and the sudience was deterup with the times, oppressively mined to make the most of this so. She is 62 now and doesn't lef you forget it, throwing in one; a reasonable aim at £25 a head

In the event all was well mull, any songs by Billy Joel and Jim the anti-cliniar. The Basic hand. Croce among the standards, plus went through its smoothly oiled a breathless commentary. Of motions like true professionals; course she looks remarkable Len's Horne sang and kicked up and earned her fee, but some her heels. With five minutes to of the modern stuff is comso everyone seemed happy pletely out-classed by the "Love and then they shambled the ms or leave me," and the ending, No encores, no duet "Stormy Weather," and the even, though Basic returned to "Lady is a Tramp." Her sound the stage, just the band, look, was also a bit glanissimo. A ing sheepish, assembling a half. littla judicious cutting of a show cock crescendo. No. doubt the that lasts two hours anyway production has been tidied up could ensure something for the by now but it was rather a lat Grosvenor House, and its cusdown.



### **Record Review** More or less French DAVID MURRAY by

Berlioz: Béatrice et Bénédict. Janet Baker, Robert Tear, Christiane Eda-Pierre, Helen Wstts, Thomas Allen, Jules Bastin, Robert Lloyd, with Colin Davis, the John Alldis Choir and the London Sym-phony Orchestra. Philips 6700 121 (2 records). Spohr: Nonet op. 31. Octet op. 33. Nasb Ensemble. CRD 1054.

Fauré, Ravel and Poulenc: Song cycles. Dietrich Fischer-Dieskau, Wolfgang Sawallisch and soloists of the Berlin Philharmonic. Acanta EA 22765.

Ravel: Chansons madécasses. Sonata for violin and cello. Sites auriculaires. Frontispice. Jan De Gaetani, Paul Jacobs, Gilbert Kalish and ensemble. Nonesuch H-71355. Debussy: Piano music, vol. III. Livia Rev. Saga SAGD 5463 (2 records).

Beatrice et Bénédict, Berlioz's opéra-comique on Much Ado About Nnthing, was his last work, and it is the latest addiwas also a bit planissimo. A tion to the fine Philips Berlioz cycle under Colin Davis. The recording is not likely to bave a rival (except Davis'a own much nlder version): for current tastes, *Béatrice* is as awkward an opera as awkward an "opera" as Romeo et Juliette is a "sym-

phony.' Shakespeare's comedy stripped down to decidedly less than its essentials. In fact Berlioz first intended only a one-act piece, and even the twn acts of the final 1862 version are slender enough, with a mere 15 musical numbers some tiny -and much spoken dialogue (in credijahle French here, better than in some of the singing). The mating-by-trickery of Beatrice and Benedick is now the whole of the plot, set in relief against the cloudless nuptials of Hero and Claudio. and with the freehand addition of a comic music-master. The history of the reluctant pair is begun and concluded with ironic duets (the second proves delightfully to be the hasis of the familiar Overture); each of the principal lovers is mocked in a suitable trip, and each of them and Hero too has a private

aria in which they greet the advent of love in their own Fischer-Dieskau offers a remarkably interesting French pro-gramme, Ravel's spare Madagasways; and at the beart of the work is a lovely, reflective Nocturne for Hero and ber bandpassioned as one would expect malden. That, with a little public music, is the whole of the work. is attacked with furious glee. (Sawallisch is crisply dazzling

It has its own atmosphere. gracious and pungent : as David Cairns says in his excellent note (the full libretto is included feature of this Bonne Chonson

Glyndebourne

too), "It is the noonday Italian is that Dieskau's big-boned readbrilliance of Bentenuto Cellini ing of it is acompanied by piano softened to the translucent light snd five strings-a version made of lats afternoon." Berlioz hy Faure himself, though not (as called it " a caprice written with the sleeve-note naughtily implies) the nriginal one. Viewed doubtfully by some and the point of s needle," which suggests the one thing lacking in this Davis version. The singvery rarely beard, it supplies unique guidance to how Faure ing, the playing and the quality intended many things in the solo of the recorded sound reveal plano original. He loved writvitality, brilliance and depth, ing for an ensemble like this, without lightness; it is a hejty of course, and the effect is often performance, for all its merits. The lively intelligence of Tear beautiful, though there is not and Janst Baker in the lesding the sense of intimste utterance roles serves admirably in their of the piano Ur-draft. Dieskau is arias-Dame Janet makes her scena a substantial psychoperceptive and commandingly forthright: one knows he recognises all the secret nodes of the logical study-hut in the duets, cycle, becsuse be punches them where they are almost orchesso hard. tral voices, their un-French

Jan DeGoetani is stylish and timbres and want of properly front of the mouth consonants keep them earthbound. The Nocturne is heavier and less much cooler with the Chansons madécasses on the new Nonesuch Ravel record, occasionally tentative-as Dieskau never ismagical than in the oldar ahout the exact thrust of a phrase. The 1922 violin and cello Sonata, only recently recording; on the other hand, the ladies' trio here has much

more dramatic assurance. Nothing limps, and there is coming into its own as a particularly stroog and mature Ravel plenty of infectious exuberance. work, is splendldly played hy Isidore Cohen and Timothy I mean to suggest only that a more aerial and playful account Eddy: almost too sensitive with of this guirky, tender music can the Allegro, but contrasting all still be imagined. the movements with great finesse. Paul Jacohs and Gilbert Berlioz's older and-in their

time—nn less famous contem-porary Louis Spohr could be early Sires auriculaires (one guirky and playful to a fault. movement of the two, the His idiom was roughly that of, say, Moscheles and Mendelssohn, Habanera, went into the Ropsotouched up with winsome chro-

what It may lack in concision, and thereby becomes a little suspect within its nwn worthy

German tradition. The style is

dangerously winning, though un-

demanding only in the aense

that Spohr's music is singularly

his scores are most ingeniously

turned. I find the Octet (strings and two borns) and especially

the Nonet (wind quintet and

four strings) quite irresistible. The Nash Ensemble's recording

of them on CRD is delectably

polished, a pure shameless plea-

with the piano part.) The special

On the new Acanta label,

sure.

Così fan tutte

Philharmonia

innocent of emotional stress-

die espoguole) and the 1918 five-hand "Frontispice" far more delicately and faithfully matic inflections, and his cheerful ingenuity was often directed than the Kontarsky hrothers on to composing for somewhat un-likely ensembles, generally with his own virtuoso violin. Though the only other recording. Warmly recommended. Finally, the latest volume of Livia Rev's account of all his music hardly sounds French, it makes up in conscious charm Debussy's piano music.

Queen's

In hardly any respect could one hope for more idiomatic performances, granted a predilection for pedal-hathed sound and fairly relaxed rbythms (though makes something exciting nf "Masques"). She has a rich palette of liquid colours, her tempi can rarely he faulted, and the shape of each piece is dis-played with lucid sympathy. Anyone left dry-monthed hy Michelangeli's recent Debussy Preludes will find this a refreshing draught. It is possible to feel that there could have been room for more urgency, and more caprice; Miss Lev's manner is always comfortable and easy. These are, however, interpreta tions of great distinction, and car cycle is as intense and im- seductive too. Besides Estampes, -both books of 1mages and much (a triffe at the expense of the more, there are fascinating early

line in "Nahandove"), and studies only recently brought to Poulenc's surrealist Bal Masque light.



Ray Brooks and Gemma Jones

21

# And a Nightingale Sang by B. A. YOUNG

C. P. Taylor has the gift of also fitted out with a soldier, one of his daughter's houses to filling a stage with an assort-Eric, who proposes to her while another like King Lear, coneveryone is lying on the floor cerned only with the welfare in that first abortive air-raid of his cat, is a nice little cameo ment of related characters, all following separate concerns yet warning of September 3, 1939. meshing like pieces of a jigsaw (The action of the play takes to compose a coherent picture. place throughout the war, in Newcastle-on-Tyne.) Joyce is In this play he gives us a family of five—grandfather, father, mother and two daughters a half-hearted lover who someimes can't ramember what Eric with a man for each of the looks like, and whose wartime pregnancy. Inckily imaginary, is of unknown origin. Veronica girls. Only the daughters' lives, and their men's, are allowed more than trivialities to deal Sowerby gives her all the with, or at any rate the others' needed prettiness and silliness, lives are not examined in depth: and Christian Rodska as Eric is satsifactorily neotral. Even yet the scene glows with truth. Helen, the elder daughter, the Army must have found him who has a slightly crippled foot, has learnt to watch things from hard to remember, for be wears the 50 Division signs on his uniform while that division was flighting in Africa and Italy: the sidelines, and Mr. Taylor pulls her out of the picture now and then to add narrative

hut then neither he nor Norman or commentary. She is acted by ever seems to do anything more Gemma Jones with a dogged military than go on leave. charm that is given some extra The rest of the family are as colourful and as insubstantial fire when a young soldier falls in love with ber and persuades as confetti, and here lies the her that her handicap is not weakness of the play. It is fun to see George (Arthur Blake)

important. Her soldier, Norman, is played by Ray Brooks with a simple directness singing popular soogs at the piano, and burning a capitalist on his victory bonfire instead that matches her own simplicity precisely; their love scenes together I found curlof Hitler because he has suddenly become a Communist. ously moving, though they never Patricia Rontledge as his wife, go beyond the banal declarsresolving every problem with tions of such young people's an extra Mass or a few words with her statue of the Virgin Mary, is delightful. The old encounters, and the pathos of their parting is most ably done.

London He will analyse, in his series of six talks on BBC Radio 4, the moral, ethical and legal issues that attend the practice of medicine.

of his cat, is a nice little cameo

But is it really worth hring

ing us back to the nostalgic detail of life between 1939 aod

1945 to say so little? All we

have been told at the end is that war-time marriage is a pretty dodgy bet: Joyce, with her

flimsy affection, settles into a

good marriage, Helen, with her

soul-kindling love, loses her man to the wife and child he

concealed from ber until too

late. Otherwise life with the

Stott family goes on as before. All Mr. Taylor's wealth of observation and buman under-

standing, all Mike Ockrent's capable direction of his admirable cast, all Geoffrey Scott's evocative design, will not move us if they are applied

only to such sentimental little

Reith Lecturer 1980

The 1980 BBC Reith Lecturer

will be Ian Kennedy, Reader in

English Law at King's College,

recollections.

part for Roger Avoa.

A younger sister, Joyce, is grandfather, wandering from **ELECTRICITE DE FRANCE** 

# **Beverley Davison** by ANDREW CLEMENTS

Lena Horne and Count Basie

Beverley Davison is no fidence and rapport, communistranger to London: audiences. She has won numerous awards form: Mr. Lester continued to for outstanding young musicians, appeared as a concert soloist appeared as a concert soloist op. 12 no. 3; each player, and is currently the highly curiously self-contained, hut effective vinitn and viola player Miss Davison achieving of the Fires of London. But her-Wigmore Hall recital nn Tuesday was described as marking her "formal London debut"; a programme of sonatas by Brahms Beethoven and Prokofiev, topped up with Ravel's Tzigune and accompanied hy Harold Lester. An ambitious programme, made mare ambitious still by the decision to begin with the Brahms A major Sonata as full she inderstands it. The Proko of interpretive pitfalls as any flev D major Sonata (the one sonata in the standard violin which began life as a flute. repertory, a work of elusive lyricism and awkward coordination.

Those virtues of Miss Davison's playing with which we were already familiar immein Trigane was the only item tone-of enormous projective npening cadena produced the power and great warmth on the concert's finest moments, in lower strings. But ber partner-ship with Harold Lester began and, at last, instant, vivid uneasily, short of mutual con-

cating little heyond the platseem ill at ease in Beethoven's singers about just what they were. Such questions were promptly resolved, and the moments of great finesse parmusic remained satisfactorily ticularly in the Adagio.

aloft. They were unforced tempi, The second half of the recidramatically fully effective, har a doubt whether a quicker thrust in the opening scene tal hegan so differently that in musical terms at least it was might not give the opera a difficult in attribute the earlier stronger spring away. There were many fresh pointings-up of items to the same partnersbip. Twentieth-century repertoire is very clearly Miss Davison's strength; she is at bome in it, she inderstands it. The Prokothe woodwinds' music (but very backward horns in the obbliggto of "Per pieta"), and in general a cultivated Mozartean spirit.

Mr. Donlan was understand-ably not on terms of complete sonata) was marvellously inclsonata) was marvellously incl-sive, entirely fluent, quite dis-pelling the lingering impres-sion that she is an artist of carefully coached expressive effects, whose phrasing is manu-factured rather than instinctive. rapport with his Ferrando and rapport with his Ferrando and Guglielmo; that is, their per-formances bear the marks of the rewarding experience of continued co-operation, and Donlan (who is to be the Glyndebourne Touring Opera's Alfonso) had perforce to fall in with them. The Svengali-side of Don Alfonso mevitably paled, but Donlan's musical contribu-**Festival Hall** 

Tuesday brought not only tion to the proceedings was Nicholas Braithwaite to the judicinus and friendly, his dry-podium for Glyndebourne's Cosi, ish, lyrical bass discreetly tell-but also Brian Donlan to the ing in the ensembles. Meanwhile but also Brian Donlan to the ing in the ensembles. Meanwhile role of Don Alfonso, Staffird the lovers continue an excellent bean being indisposed. Mr. dno, with Jobn Aler's Ferrando Braithwaite bas presumably having perhaps gained in focus inherited Bernard Haitink's and assured detail. tempi, though there were several momentary disagree-ments between him and his crucial duet with Dorabella there about inst what they (Batticia Parker especially

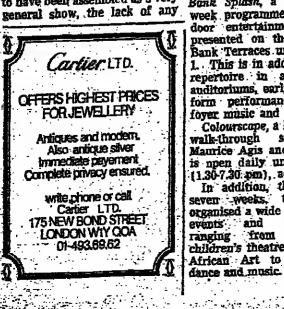
(Patricia Parker, especially charming in the girls-together scenes). I agree that restoring his "Rivngete." aria, deleted hy Mozart, was unwise: it is a comic number in a hroad style, and in the context of Peter Hall's gentle, engaging production it could bardly bave been delivered with expansiveness it presupposes (nor was it). Bozena Bentley's Fiordiligi commands admiration again and again as the character grows more interestingly complicated;

it is praise to remark that there are not a few Schwarzkopf in-flections in her performance, unerringly chosen. Nan Christie is still the vivacious Despina. Sbe shouldn't, I think, smudge the line of her Notary's long rigmarole—for no apparent reason, that is a curiously beautiful and tonching passage, succumbing faster to untidy rhythm than to a harmless funny voice.

DAVID MURRAY

# Everyday architecture

There is a small but important application of critical standards exhibition at the Royal Academy is only too apparent. In future until the end of this week, which years the association would be gives an opportunity for the well advised to select only the Association of Consultant Archi- work of its very best members, tects to show their wares. While The all-inclusive approach is it is debatable whether the too depressing. COLIN AMERY. Academy should play bost to what is obviously a trade show. the exhibition does give the public the chance to see a full range of current architectural work As the exhibition seemsto have been assembled as a very



performance of the Beethoven Fourth Piano Concerto raised to a temporarily more exalted level Tuesday's end-of-season concert by the Philharmonia ander Andrew Davis. It was a nerformance full of sur-prises. The piano very seldom sounded beautiful—and this, in

### 'South Bank Splash'

at the National

a work written to display the in-The National Theatre's South Bank Splash, a special seven-week programme of daily out a fault. strument in a newly noble and lyrical light, ought to be deemed.

door entertainment, is being presented on the NT's South The cadenza of the first movement, blurred by incautious. Bank Terraces until September pedalling, buzzed with an angry 1. This is in addition to a full intensity. Several of the piano's repertoirs in all three NT soft answers turning away the auditoriums, early-evening plat-form performances and free wrath of the middle movement form music and exhibitions. Colourscape, a large inflatable thing but benign or easeful of walk through sculpture, by temper — each new subject Maurice Agis and Peter Jones, seemed to be pounced on, is npen daily until August 26, tussled with, driven home. The is npen daily until August 25 tussied with, driven home. The There was little evidence that (1.30-7.30 pm), admission 25p. effect of the whole was not thought had been given to the crude, basiy, or intemperate, as relationships of tempos within movements. In fact, there was organised a wide variety of free On the contrary, it seemed to precinus little evidence of musical depth and sensitivity m ranging from street and spirit, in a manner not always show, and a good deal too much children's theatre, a pageant of comfortable but always coura- of audience-wooing superfici-African Art to international geous. Mr. Davis and the orchestra 

Stephen Bishop-Kovacevich's accompanied dutifully, although the fire of Mr. Bishop-Kovacevich's playing was accommodated rather than answered in kind. In Weber'a Oberon Overture and Dvorak's D minor Symphony, the reigning spirit was one of effects-seeking hrashness, As in most of the performances I have heard Mr. Davis give in the concert ball, the orchestral sonorities tended to "toppy", over-assertive in treble, murky and be the

awkwardly balanced in the alto. tenor, and bass (except when cello section "solos" afforded the opportunity for the training of big, obvious spotlights). Notably in the Scherzo of the symphony, the conductor's sense of rhythm was manifest more by podium choreography than in any gathering or discharge of musical momentum. There was little evidence that

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June 1979



Thursday July 19 1979

# A time for freedom

further than the one announced in the Budget. Indeed it goes so far as to bring the whola future of the exchange control apparatus into question. Incre is. room for perbaps a third either direction; and a package under the general head-ing of "relaxations." But even Secondly, the main aim should now the desire to keep in being not be seen in terms of the the machinery of control has exchange rate as such, but in ambling the private sector to could not be more profitably redeployed elsewbere is now a very real one.

### Investment

22

The two main changes are the total freeing from control of outward direct investment and of most kinds of portfolio investment in the EEC and in the honds of international institu-

Although tha latter North Sea measure is hedged with restrictions, it is doubtful whether it will be practical to maintain a ring fence between tha EEC and the rest of the world. But from the point of view of currency flows, the most important aspect concerns repayment of foreign borrowing undertaken currency either for direct or portfolio investment (whether or not in This can now be the EEC). repaid through the normal foreign exchange market without having to buy premium currency.

The accompanying Treasury statement goes further than ever before in hinting that it is part of the official intention to put a brake on the rise of sterling, "Some outflow" on account is predicted, nital c:Iset by an improvement in the current account.

This general thought is subject to two important provisos. This would always be true, hut exchange market is so case rather than dominated by the weakness of seek its abolition.

THE NEW relaxation of ex- tha dollar. The relaxations are change control goes very much almost certain to increase gross private capital outflows in 1980 -just as earlier relaxations by Mr. Healey have done in 1979. But the immediate impact on the exchange rate can go in either direction; and it is not

attitude to mineral supplies. They have accepted the need to secure long-term supplies, for example, hy championing the ben announced, for instance in improve its overseas balance role of the companies in sea-bed the restricted scope for third sbeet and build up overseas party credits. The question of earning assets. To pay for any whether those engaged in opera-net increase in overseas investmining at the United Nations Law of the Sea Conference, and by taking part in EEC dis-cussions about the protection of ting the control machinery ment it will be necessary to generate a current surplus. Some dampening of the investments in the developing countries. But they have not acted specifically to stimulate exchange rate may be part of the mechanism for generating this surplus, but should not be mineral production linked to future British needs. the main aim. Indeed a high

exchange rate this winter has obvious advantages in what might otherwise be a difficult corner for counter-inflationary policy.

It is common sense to offset the rapid exploitation of a nonrenewable resource such as North Sea oll with investment in earning assets. Tha main reason for emphasising overseas investment is simply the artificial barriers against which have heen built up hehind 40 years of exchange control. There is now an opportunity to allow capital to move to where it will yield the highest rate of return. This does not mean that domestic investment-will suffer. It is

more likely to gain. There is no more a fixed "lump of investment" than there is a fixed "lump of labour." Indeed the biggest inflicted hy exchange control is that It has insulated the rate of return in the UK from that pre-

vailing internationally. First of all, it is quite impos-sible to "fine-tune" the sterling rate by exchange control relaxation-or for that matter by foreign currency. The onus is acceptable alternative measures. now on those who wish to mainneeds to be specially imposed as an emergency emphasised when the foreign measure in 1939, to make out a

# UK mineral supplies: the threats and the remedies

### BY PAUL CHEESERIGHT

UIETLY but menacingly, raised costs and lowered a severe problem of raw revenues. Indeed, the mining materials supply is brew- companies, on the strength of fignres adopted by the European ing for tha British Government Commission, have calculated that, simply to maintain supplies and industry. Some palliatives are at hand: Sir Keith Joseph, of the main non-ferrous metals tha Industry Secretary, can, to Europe over the next decade. providing he so desires, summon there needs to be an average up the results of five years of investment of \$2.4bn a year. official preparatory work for a But in the 1960s and early national minerals policy. 1970s, investment averaged only The qualification is apposite, ahout \$400m a year. because successive Governments have been inconsistent in their

The second reason is that instability, or the threat of it, in some of the main supplying areas --- central and southern Africa for example -- could interrupt the flow of materials. Such breaks, even those not directly felt hy Britisb consumers, tend to push up prices. Assuming growth resumes in the international economy, the

possibility emerges of a shortage of aupplies in the 1980s, because of the lack of investment, while, in the background lurks the danger of producers

failing to maintain supplies, Colonial because of, say, disorder in South Africa, shortage of technical personnel in Zambia, or backlog strikes in Bolivia.

Britain, whose importance as a minerals producer has long since disappeared, would be extremely exposed. The greater realised. To be sure, there has been would be to build up enough materials to tide industry over part of its mineral needs have to be imported. The antidote evailable to Sir

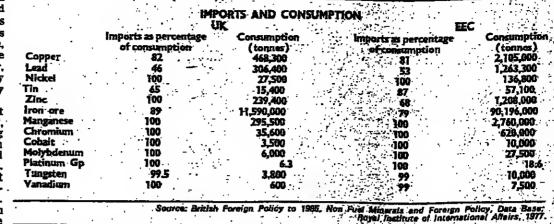
any interruptions of supply. Thus a judgment has to be made of where the breaks are Keith has five parts; most likely to occur. Diversification of sources of hood the most vulnerable region

supplies; Formation of a minerals stockpile for a few key materials most at risk; Maximisation of domestic

resources: Recycling used materials; Search for substitutes.

The two elements of most why this relaxed approach is immediate significance are no longer adequate. The first diversification and stockpiling. Substitution and recycling are is the downturn in investment in new mining capacity; this at this stage a matter of stimutrend started before, but bas lating research in the been exacerbated by, the post-knowledge that fruitful results called into question or greatly 1974 recession, which both would only be applied under pushing up prices.





Stockpiling becomes less hold down official expenditure. necessary if suppliers are geo Had there been no election graphically so diversified that in May, some form of diversifi-the loss of one source may be callon policy would probably covered by another. It seems likely that a British the year, but it would have been diversification policy would read of the question of It seems likely that a British, the year, but it would nave oeen, consumers. Sir weth, then, diversification policy would vague on the question of faces a severe practical problem follow roughly the German financing project development. if he decides to follow up the pattern of official aids for ext. Although the motive at the work done under his pre-ploration granted against in time of the Labour Govern decessors on mineral poliny. It option on German consumers ment was the wish to reduce is one thing to work tor a having first access to any dis drading links with Sonth Africa secure flow of materials, but having first access to any dis training inter when any general covery. That is quite easy to the than any general execute: it is largely a question supplies, it could nevertheless of deciding on how to apply the have had the effect of drawing funds evaluable funds available.

Developing deposits 🖉

Hence the West German concern. to accumulate stocks of chrome, What is more complicatedcoblt manganese, platinum and and there is some evidence consumers. Two of these are vanadium, all minerals that that Whitehall has not ret for oranium: Rio Algom in come largely from Africa. Some clearly defined its view is de Canada and Rossing in Namibia; of these minerals are already in vising a form of governmental one is for iron ore: Hamersley short supply and it seems unsupport for the costly process in Western Australia. These likely that a stockpile could of developing a deposit. The lines operations are part of the costly in vising a form of governmental one is for iron ore: Hamersley short supply and it seems unsupport for the costly process in Western Australia. These likely that a stockpile could of developing a deposit. The lines operations are part of the costly in vising is not establish a RTZ group.

have had the effect of orawing the major British mining houses back into the domestic indus-trial economy. Of all the mines controlled, by the Rio. Tinto-Zine, Selection Trust and Con-solidated Gold Fields groups, only three have direct long-term. contractual links with British contractual links with British

system of loans and guarantees. Security of future supplies which at once give the develop implies that the number of such ing companies the security to contracta would increase. Al-go ahead with a project and though the prices provided for

in such contracts may be exnected to move in line with the world markets, access to the materials would be more assured.

But the line between producers and consumers has inrecent years hecome blurred. Big consumers have been taking equity in and making imance available for mineral projects. Thus a diversification policy needs provision for the participation of companies normally hought of as consumers, An immediate difficulty arises Apart from British, Kynoch Metals, a joint company estab-lished by the main exper users BICC. Delta and IMI and British Steel Corporation, with its largescale iron one imports.

its largescale iron ore imports, consumers are generally frag-mented and certainly not organised for collective buying or mineral-financing Indeed, much more is known, about the problems of producers and the desires of the mining companies than the needs of the consumers. Sir Keith, then, faces a severe practical problem quite another to define their ultimate destination.

The expectations of the mining industry are pitched at a low level. There seems to be greater readiness to wait for an improvement in investment conditions hence the support for the EEC's faltering moves towards; investment protection policies in the developing coun-tries—than to pin much hope on the British Government

Welcome for

incentives Mining executives say that the industry would grab at any diversification and incentive scheme on the German pattern. ्रज्ञ अपनि

But, as one said: " The Labour 3" **Bonn's four-point programme to safeguard the future** people, may have shown some concern about raw materials, but they had this pathological fear-of being seen to be helping multinationals. Now we have the Conservatives they may be better disposed towards the multinational but they are averse to setting the Covern.

special credit terms through the Kreditanstalt fuer Wiederaverse to getting the Govern-ment involved in posiness."

-and the countries Brazil, anthan-initially a postwar re-Gnihea, Indonesia, and Mauri, construction agency, which now construction agency, which now The Government's desire to has a much wider role for reduce the level of state involve the projects both at home and ment in the economy would a broad. The Covernment's desire to Last but not least is the active diversification policy. But

Bundesanstalt fuer Geowissen the mining groups exploit schaften und Rohstoffe, based resources where they occur and in Hanover: This federal sell on what is to them the most

little incentive to give such moves priority. Mineral conmoves priority. Mineral con-sumption has declined slightly, although imports did cost £2.75hn last year, and until recently there was a readiness to assume that simply because London was a commodity trading centre, supplies wera assured. Thera has been little Thera has been little attempt to broaden the source supplies away from of traditional producers wbom links were forged in colonial times. There are two main reasons

economic damage

Most countries bave power to impose exchange controls in an tain the apparatus of control, as an emergency case rather than on those who

plling scheme.

year alone. The Germans are doing so in Whereas to 1971 only 20 ex-

with

BY JONATHAN CARR IN BONN

strong commercial

The development of domestic resources is likely in the fore-

seeable future to have only a

marginal impact, except per-haps in the case of tungsten

provided the more optimistic

hopes of the Hemerdon Ball

deposit near Plymouth are

The purpose of a stockpile

It is accepted that in all likeli-

is southern and central Africa.

Dressure.

THE WEST GERMAN Gov- higher in the case of chrome present Government period aftar 1972. The materials Mining companies can obtain are only available for the involved included chrome ore, special credit terms through the At ermment is intensifying its and manganese, which are cru- grants are only available for the - efforts to secure the cial to the steel and engineer- search for new sources of raw country's raw material supplies ing industries in particular: materials — not for the work-by encouraging exploration to . Over the past five years the ing of existing mines. But diversify sources, by helping Government has made available German mining companies in-overseas mining, by boosting grants for exploration and pros- battery of official instruments research, and most recently by pushing ahead with a stock-pluing scheme. efforts to secure the clal to the steel and engineer- search for new sources of raw prises abroad. A further (though not to remove them DM76m is earmarked for this altogether).

These instruments include

co-operation of the producers whose future reliability is being

> tania. Beyond

### health service

**Reforming the** 

IT IS not often that all three rooted in the expectations of the major political parties and a British public, it would be Royal Commission agree on unrealistic for the Government measures that could save mil- to expect to transfer much more lions of pounds of public money. than the current proportion, But Britain is to attuned to an about 3 per cent, of the cost of adversary style of government medicine to the private sector. that the central recommenda- The heaviest users of the NHS tions of the Royal Commission on the National Health Service. published yesterday, are already in danger of neglect, while public dehate rages fruitlessly over relatively trivial dogmatics shout pay beds and prescription charges.

#### Recommendations

Compulsory wearing of seat helts, a much tougher attitude to smoking and fluoridation of all water supplies and the allocation of more resources to proven screening procedures, even at the cost of "acute" medicine, are among the Commission's most important recommendations. They deserve more public attention than the question of whether the £200m that is currently contributed by prescrin-tion charges should come from general taxation instead. Though the Commission may have erred in its judgment that prescription charges do more harm than good, it is quite right to point out that, in the context of an £8.1bn budget, they are of secondary importance.

Of primary importance are questions about how much the nation wants to spend on health, whether the priorities within the health service are now correctly set and whether resources are fairly allocated between regions. The first step towards tackling some of the fundamental problems will have to be a reform of the clumsy wasteful administrative and atructure of the NHS. But administrative changes will not suffice in the longer term.-

Demographic changes alone will necessitate a large increase in health spending, as tha proportion of old people in the population is certain to grow steadily for the rest of the century. The Government will have to accept also that as the nation gets richer it will prob-ably spend a higher proportion of national income on health care. Between 1955 and 1975 the sbare of bealth expenditure in the GDP grew steadily and public opinion may soon demand a return to earlier The proportion of trends. Britain's GDP spent on bealth, 5.6 per cent, is very much less than that of other, far wealthier countries.

Since the universal availability of a high standard of detailed suggestions for immedical care is now firmly proving the health service.

> . . والمعرف بالمتعريكي والمستوح المراجا

tend to he the old, the poor and the chronically III, who would have to be provided for by the Government, even with an insurance system.

On the other hand, it is irrational to stifle the private medical sector, when its services are clearly in demand and when

it can contribute to NHS overheads. The main importance of the violent arguments about a mere 3,000 pay beds in NHS bospitals is that they have been exploited by both ends of the political spectrum to obfuscate the real and intractable problems of the NHS.

Most of these problems, such as the appalling condition of some of Britain's Victorian hospitals and poor industrial relations with frequently overworked direct medical staff. all convinced that successive Governments bave exploited their social consciences, stem partly from a lack of resources. The Commission bas suggested more resources for the NHS but, regrettably, has made no attempt to cost its proposal.

But additional resources abould only be entrusted to an organisation that can prove its ability to use them for tha public good. This the overweight adminiatration which has grown by 28 per cent since 1974, bas manifestly failed to do. The Government should act im-mediately on the Commission's proposals to streamline the administrative structure.

### More diffuse

As the administrators have proliferated, accountability for general policy and for financial decisions has become steadily more diffuse. As well as cutting manpower, the administrative reforms suggested by the Commission should define responsibilities more clearly, devolving dairies find their way home to more operational control to the the Lake District. local level. Budgetary changes sbould in theory help tighten up financial control.

But parliament must beware. lest this reform simply leads to more bureaucracy and worse decision-making, like the last one. The proposed select com-mittee on the NHS will have its work cut out to ensure that, after the reform. the new administrators work energetically to implement many of

the Commission's constructive down to S6m.

the knowledge that they arc ploration projects were being even more dependent than their supported thus, today the figure European partners on imports is more than 50. The main and guarantees for investmeot of raw materials. Their action emphasis lies in Canada, the projects specifically in the raw also reflects a growing recogni- U.S. and Australia - that is in materials field. The increased tion of political risks in developed countries where the southern Africa, from which political risks are held to be West Germany draws no fewer small. Among developing states, than 48 different raw materials. Brazil is of key interest to the In the case of 23 of them, 10 West Germans, followed by per cent or more of total some of the black African coun-German imports come from that tries, South-East Asia, and the raw materials projects abroadsource. The percentage is far Pacific region.

government-backed insurance against political risks abroad tempo of foreign activity benefitting from such belp can be sean in the following figures. Between 1960 and 1977 the Gavernment approved guarantees amounting to DM 258m for 12 of which seven alone fell in the

the other investment in developing countries in particular. The Government has several specialised agencies which help

copper, manganese and uranium.

involved in such - projects

abroad may claim substantial

tax benefits under two laws-

one intended to encourage

this, companies

And, like other

into world supply and demand for particular raw materials, materials policies. One is the Deutsche Gesellschaft fuer Wirtschaftliche Zusammenarbeit, a wholly-owned governfollowed up by the private-sector if promising deposits are ment enterprise which can provide additional capital for direct investment by German companics in the developing world.

agency not only carries out re- advantageous market. Concern: about security of supplies thus search programmes, for example . implies making the British market more advantageous than it is. At the same time, the it carry through its raw substitution processes and so involvement of other. Governon. It also sends its own teams ments in the minerals sector is abroad to carry out initial giving their respective com-exploration work which can be panies a competitive edge. The panies a competitive edge. The provision of finance for a project, allied to a long-term supply found. The Economics Ministry contract, can reduce prices, as provided nearly DM 40m for the Germans and Japanese have this agency alona last year. . . found. 

# **MEN AND MATTERS**

### Sending the pinties home

This week'a annuai meeting of the Milk Marketing Board heard, as usual, forebodings about doorstep deliveriea. But nothing was said on the dairy industry'a private pintie debate. For the uninitiated, a pintle is the name bestowed on the squat, new-style milk bottles being introduced around the land.

The trouble with the pintie. according to Its critics, is that the public does not regard it as being so " returnable " as the traditional milk bottle. In a country where around 400m milk bottles just seem to vanish every year. that is no trivial failing. Milk bottles coat about 5p a time nowadays; moreover. the strays cause a lot of

pollution. But the case against the pinties is not accepted by the National Dairymen's Association. It is just beginning an investigation into the success or otherwise of the new hottles and bopes to bring out a report

the

#### in the autumn. The gloomiest utterances about the pintle come from Iric Carter, managing director of Milk Veasels Recovery Ltd.--ln a little-known but nationwide friendly society. Its role in life, name implies, is redistributing bottles to their proper owners - even stray

Kew stew bottles handed in to Cornish

"Losses on the pinties are msin. Public Record Office, much higher," says Carter. opened at Kew in late 1977 at a Our evidence is that people cost £10m. The air conditioning broke dowo at the weekend. iust throw them away. A former chief inspector is the after a dogged effort by re-London C.I.D., he is not s man searchers and staff to sweat it of casual utterances. He points out. out that in 1976, his organisa-

tion - with beadquarters in Tottenham, Loodon - recovered 135m bottles. That was tha ever peak, and the figure is now Carter does not hlama all the To nama but one innovation, closely guarded secret ...... Not decline on the pinties, but sees documents are called up by com-

puter. To name another, the total list." windows cannot he opened. So when the air conditioning plant found the heat too much of a strain, the "controlled environment" atmosphere in the aearch rooms was cslculated to steam up any professor's bifocals. Almost all the 250 staff were sent home and the buildings were sbut.

conditioning has failed "spas-modically" before. But the official Property Services Agency is not forthcoming about the names of the manufacturers.

### Off the list

"Will the last person to leave please turn out the light" them as a principal factor. When

Gaming Board.

Board was more interested in explaining the differencea in "trippage" around the country. I was told that in Glasgow and Liverpool, milk bottles have an average life of four trips. But the law-abiding Home Counties. 40 is the norm.

The onset of summer haa caused some havoc in the country's forcing a sbut-down on Tuesday to members wbp have become

The new PRO, considered the most modern research centre sometimes hewildered-profes. Marketing manager Brian

I gather that the PRO alr

# It will be little consolation to

punters who have seen their Ladbroke's shares tumble 34p in a fortnight to learn that one of the apparently unassailable assets of the casino operation might not be such an asset after I put his views to the Milk all. The property in question, Marketing Board, it described quite simply, is its lists of them as "intriguing." The members.

The Gaming Board takes the vie wthat any operator who loses a licence should not benefit from having previously been an operator. Thus the listswbether expanded legitimately, or-as alleged-through the police computer in Nottingham —might be a risky thing for any potential rival to buy. He in turn could well fall foul of the

The Gaming Act prohibits all advertising of the attraction of green baize and bopes of gaio. But nothing prevents clubs from sending flowers, an invitation to dinner, or even an air ticket temporarily disillusioned with the wheel of Fortune.

Joe Coral was more forthcoming to me than most about the valueof its 30,000-long list huilt, has amazed-and of members of its London clubs. sors from all over the world. Tomey tells me tha list is a many people have access to tha

selling in effect its lifeblood. · If there are not-soprivate lists of gamblers in the UK similar to those assembled by . North America's so-called "junketeers" -wbo for a fee fill planes full of potantial losers and aend them to Las Vegas-then no-one seems to know of an up-to-date one. The last one I have been able to race dates from 1972. A company now out of husiness called Specialistics produced a roll of 250,000 racing punters, 250,000 citizens with book

gaming organisations, the group

would "never ever contemplate"

40,000 London gaming club members. Quite how this was assembled is a mystery to me.

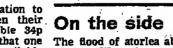
The flood of atorlea about over work at Westminster, which set the scene for higher salaries for MPs, have not deceived that chaps in the business of moving heavy goods, rather than just waving order papers about. The

Institution of Freight For-warders haa jnst published in its monthly hulletin a profile of the new president — Keith Wickenden, chairman of European Ferries.

The profile says firmly that Wickenden is " the Conservative MP for Dorking, Surrey. His other outside interests include

### Well read

A woman of my acquaintance was being told by the host before a dinner party about the othar guests and their interests. In the course of this briefing he pointed out s suave and elegant man as someone who "could read women like an open book." After a moment's pause the host added: "He uses the Braille system."





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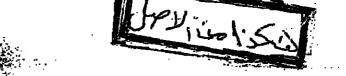
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Observer

**ECONOMIC VIEWPOINT** 



Bribing ourselves with our own money

an excellent example is Government industrial aid. This is an economy-wide approach.

For although it may be true speak of selective assistance to of any one company individually companies under Section 8 of true of all companies taken by Government aid cuts cannot coherent form. But it runs at he estimated simply by adding perbass all areas and industries schemes on which the are may receive aomething or other fall. To suppose otherwise is from the tax payer to commit the "fallars of compo-sition," of passing unthinkingly on a piecemeal basis misses out from the particular to the the key interactions. If an general.

-Indeed, the more companies that are dependent on Governor borrowing from all of us in earners or shareholders.

This is a crazy system to which we are led by the political market place where producer gronps count for more than the the most subsidised groups gain or hypothetical to keep a check a good deal less than they think. on industrial and employment There is only one pork harrel. in which all the competing bad to trim back industrial aid snouts can snuffie.

THE WHOLE is not always the ... The different flews of indussum of its parts. Sometimes it trial assistance need to be conmay be a good deal less, and sidered together. The Assisted an excellent example is Govern. Regions covered 40 per cent of the population before Sir Kelth area where the case by case will eventually be reduced to 25 examination, so thoroughly ins pre cent). But there are many planted by constituency and other schemes not regionally industrial pressure groups, can limited such as some employbe misleading on its own, and ment subsidies, and to British needs to be supplemented by an Leyland, British Steel and other industries in trouble, not to

that without Government aid in the 1972 Industry Act, or sup-would face a cash deficiency and port for Tory favoured indushave to reduce its labour force tries such as aerospace and or its investment programme; farming. The full list, which or both, this is not necessarily should also cover facal concessions to encourage investment, together. The jobs "threatened" has never been published in

individual company is deprived of fim of aid, it can hardly expect to be able to raise ment aid, and the more across. Its selling prices or raise more the-board that aid is, the more outside capital to recover the safely that aid can be with loss. But if large numbers of drawn. For in that case the companies are getting such aid, Government is simply robbing then an across the board cut Peter to pay Paul. It is taxing enables the Government to reduce its own borrowing and our capacity as citizens, to lend reduce taxes; and this sets up a or grant back the same sums chain reaction, which would not to us in our capacity as wage occur if an individual aid scheme were axed in isolation.

### Lame ducks

cuts. It is therefore better to conconsumer or taxpayer, but where sider not just the particular families and the financial insti-the privileges granted to steel closures or regional aid tutions through which they sequential changes in interest different producers tend partly cuts announced on Tuesday, but aave (shown in the first rates. to offset each other, so even all Government action, actual column of the table), they are The analysis la not particuthe tax cuts. In addition the one aid. Mr. Healey would also have

Letters to the Editor

and

ILLUSTRATIVE CASH FLOW EFFECT OF ACROSS THE BOARD CUT OF £10m A YEAR IN GOVERNMENT INDUSTRIAL AID

	(ím)	-	
Personal and Financial Sector	Government Sector		Corporate Sector
Gain from tax cut $\div 5$ Reduced lending to Gort. $\div 5$ Increased lending to cos. $-5$ Effect of higher prices $-5$	Cut in industrial aid Cost of tax cut	+10 - 5	Loss from aid cut -10 Recovery from higher prices + 5
Net effect on volume of spending D	Reduction in deficit*	÷S	Increased outside finance* 5

N.2. Key Assumptions: helf of Aid Cuts go to reduce Budget Deficit and helf to Cut taxes; companies make up helf of chartfall by raising prices and helf by reising outside finance. reased financing need is shown as negative, lower financing need is shown as positive. • inc

anything like his stated aims for the public sector horrowing banking aystem.

requirement. If we bear in mind the all-too-likely lame ducks and industrial casualties, not provided for in present official expenditure estimates, to recover some of what they the real question is whether Sir have lost from Government ald Keith has done enough to prein higher prices and this will preserve some of the jobs vent Government industrial spending from rising further. superficially at risk. Each con-The table presents a stylised

analysis of the effects of a hypothetical £10m across-thehad more disposable income. Moreover as individuals and institutions would be lending board cut in Government industrial support. It is assumed simply for illustration that balf the proceeds are devoted to reducing the public sector less to the Government, the corporate sector would be able borrowing requirement and half to raise more outside financa witbout bidding up interest to cutting personal taxes. In the nasty actual world the ratea: and this too will saleclampdown on aid is necessary guard jobs. aimply to prevent borrowing and taxes from rising still In the illustration the corfurther; but the arithmetic is

porate sector recoups £5m from higher prices and £5m from outside finance. Bnt the proporsimpler and the principle the same if we think of actual tions could of course be different, in which case there If we now look at individual

column of the table), they are the analysis in on where £5m better off as a result of larly dependent on where

the tax cuts. In addition the one stands on Government can borrow 25m management." A A Keynesian bad to trim back industrial aid less from the public without would fear that more of the tax severely, if he was to achieve being forced to resort to cuts would be saved and argue

monetary creation through the for larger ones, while s more classical economist would rely on the interest rate mechanism These changes have conseto prevent such effects. But quences for the corporate neither basis ia thera any OD, sector shown in the right hand job-saving or other argument column. Companies will be able

for not making the reduction. What is taken out of the corporate sector by one route will come back hy another without the deadweight cost of raising cern would know both that its taxes or the distortion of high competitors were under similar Government borrowing. pressures and that consumers

Subsidies One should, bowever, add, that on a strict monetarist analysis the money supply would have to be higher and the exchange rate lower, after a subsidy withdrawal, to sustain the higher corporate turnover and price level. If companies and this were ended overnight, then there would be no avoid-

ing-a large once-for-all sterling depreciation and money supply increase-except by across the board wage reductions. But as particu- Government subsidies are still where on average only about 3 per

be lost among the thousands of sonal discretion of Ministers where the jobs are; and the re-other influences affecting the and officials. establishmeot of a market in money supply and the exchange rate.

The table is obviously meant otherwise, is that relative wages to illustrate just a few broad respond slowly to demand effects. A fuller analysis would changes. This can mean unemfor instance have to include ployed workers in some tradea to make available more rented the overseas sector, where a and areas, side hy side with less strong exchange rate would labour shortages in others. Subbring higher import prices, but sidies designed to alow down also higher product prices for changes in the pattern of British concerns. There would demand could thus, in the hands then be further implications for of an omniscient Government, wages, tax receipts and so on.

But for all the extra arithmetical complication, the basic principle brought out by the table would remain: which is that nothing much changes, except for a reduction in taxes and Government borrowing, if companies are made to recover from the goods or capital markets what they previously received in Government aid. This analysis is a close approximation to the truth for the most widespread forms of aid which large parts of the

country receive. It does not apply where large sums of aid are concentrated among a few concerns or areas. A large reduction in bigbly selective aid could not he recouped by higher prices or more corporate bor-

rowing. Indeed one advantage of removing acrass-the-board assist- the billions of Government ance would be to isolate and assess the more specific schemes. If a small minority received 50 per cent of their of companies or regions are cash flow from Government aid receiving special belp, it is possibla to examine the costs and benefits of the expenditure. But if much of what these bard-hit companies or regional black spots receive is common to a large fraction of British industry, then it is almost impossible to isolate the special belp in-volved. It is possible incidentcent of turnover, and Sir Keith volved. It is possible incident-Joseph's phasing out is so des- ally to be more selective by

Gas

Council annual report published. Royal Institution of Chartered Surveyors Exhibition "Survey-

Son et Lumiere starts at York

ing the world " opens. Liverpool Show

National

to Tanzania.

The cconomic case for selective assistance, regional or do far more good than all reduce nstional unemployment totals. But such policies need an altogether improbable official understanding of thousands of interlocking labour markets and

a detachment from constituency pressures. Moreover the investment-based type of subsidies, for which the CBI srgues with such mistaken vigour, may actually have increased regional have learnt no lessons and arc unemployment by 'encouraging bigbly capital intensive activities, of which oil refining and automated chemical plants are only the most obvions examples.

But the benefits from even a better designed regional policy would have to be weighed against the losses of industrial ossification. The widely bemoaned disparity between the supposedly aelf-sustaining sonth and state supported north of the UK is itself partly due to funds which have discouraged the less prosperons areas from adjusting and institutionalised their problems. While there may be a case for aid to enable where state spending does readults well on in their career markably little to redistribute to remain in their accustomed resources towards the pnor. We jobs, it is near criminal to use might be a good deal better off state cash in bribe young people into subsidised jobs and thus the ogre of journalistic deflect ibem from work for imagination and, even more so which there is a genuine if there were someone who demand.

to remove obstacles and disin- industrial matters. perately gradual, their price- narrowing the criteria for sid, centives to people moving to boosting effects will in practice whlle actually reducing the per- the areas and occupations

economic outlook, Paris.

day

French dockers call 24-hour

of

European

strike affecting all French

rented accommodation would the regional policies ever invented. (The knockdown sale of council houses doea nothing homes.)

.23

### Auto-reaction

Eight years ago I ended a highly critical essay on the Heath Government in Its initial "Selsdon" phase hy saying that "a battle to preserve every official body, every subsidy every control and every tax is not the only or the most promising stand " from which to makone's criticism. Sadly but predictably, Labour, Liberal and "moderate Tory" apokesme" reacting in the old knee-jer<sup>j</sup> fashion. Mr. John Silkin h\*\* alas shifted from talking sense about European agriculture 10talking nonsense about British industry.

It is precisely because I am in favour of a Welfare State and would like to see such things as higher and indexed child benefits, a start on tax credits and a revival of the bealth service (not to speak of less penny-pinching on the arts that I would like to see phased but sweeping reductions in spending oo industry and on bousing—sectors which are in no sense public goods and if Sir Kcith Joseph really were could talk some economic sense It would be more effective to the Labour Party on

Samuel Brittan

House of Lords: Charging Orders Education Bill, Bill, committee, committee. Ministerial and Salaries Order. Shiphuilding (Redundancy Pay-ments Scheme) (Amendmeni) Orders. Northern Ireland Orders. Debaie on the Queen'a safety while visiting Zambia.

Parliament's first session. PARLIAMENTARY BUSINESS OFFICIAL STATISTICS UK banks' asaets and liabilities House of Commons: Debate on reintroduction of the death penalty. Motions on the Social Security (Unemployment, Sick-ness and Invalidity Benefit) Amendment Regulations and on and the money stock (mid-June), Consumers' expenditure (2nd quarter — first preliminary estimate). London dollar and sterling certificates of deposit (mid-June). COMPANY RESULTS AND the Child Benefit and Social Security (Fixing and Adjustment of Rates) Ameodmeot Regula-MEETINGS

See Company News on Page 26.

### Shotton and Corby

#### From Dr. R. Bryen and Mr. T.-Brignall.

Sir,-In your issue of July 13 ing in the many embryonic or state, on page 1, that "the sreas of that vitally important you state, on page 1, that " the Corby iron and steel works each lose about 140m in the next year." On page 7 you refer to these "losses" as "savings". to be made from these closures. Your staff should realise that cost savings and profits/losses are very different. Certainly, as regards Corby, it is "rapidly moving back to its normal pro-fit-making situation if the exces-sive interest charges (on British sive interest charges (on British Grange Road, Steel Corporation's accounting Wickham Bishop policies they are double what Witham, Essex they should be) which have amassed because of investments

"Furlongs," Grange Road, Wickham Bishops,

Minister, at the helm, isn't it time we now applied a little scientific imaginalist, to the financing of small technology-based businesses? Dr. Stephen Castell.

market in young, growth private to understand more fully the company stocks; the launch of role that leasing plays in the a "gamoling-oriented" invest economy and the controls that ment instrument "("venture are necessary to ensure that its 'capital " or " angel bond "); and abuses are kept to a minimum. particular focus on indi-Tbey should not be misled by viduals and companies innovat- emotive terms like "over trading " and " tax avoidance," but should recognise the funda-

of leasing

From Mr. R. Birley : Sir,-Your correspondent has

amassed because of investments Freeing capital reasons why leasing has become for investment financing plant and equipment. From the Managing Director, Equally with tax deferral by Mintolease lessors the key reasons are as Sir .-- It is a sad reflection on only 12 per cent of BSC's the connotations attached to the operating losses). - word " leasing " that the follows.7 A leasing or lease purchase contract ensures that the hirer its of an asset is certain of its fundimpact on the economy should ing for the period the birer bas be approached in the context of sessed as being appropriate to its cash flow. A company which has built up more capital allowances and stock relief than it needs for its purposes is able closure only reveal a potential teresting, but raised several. cost saving of £6.4m per annum. points which need answering. to lease additional assets used in its business at a much lower It is an over-simplification to time interest rate than if it borrowed the money. Conversely the same company will alternative case; we have not tax system. The ability to claim "interpreted" BSC's figures. 100 per cent first year allowchange from leasing to lease purchase or borrowing when it can again use capital allow-ances. In terms of the national nnderstand accounting pr they March, 1972, and yet the real are deliberately trying to mis growth has only taken place lead the trade unlons, the Gove over the last two/three years. erument and the public. In the case of the vehicle leas economy this is optimising the use of industry's cash and tax. mment and the public. In the case of the vehicle leas-The 16.4m per anyum estiming market, the "take off " was A lessor who is involved in a cyclical industry can even out his cash flow by putting his aurpluses into assets for leasing. -resulting in lower initial and thus fund his overheads at the time be most requires to BSC in answer to questions put sion by the Special Commis-by the trade unions undermines sioners (a decision which was the whole rationale of BSC's at no time challenged by the fund them namely during the downturn of the business cycle. Bearing in mind that growth Revenue) to allow 100 per cent in investment has been very allowances on medium term hire as well as the abort term indicated over recent years, growth in leasing is in only a small part caused by that rental market. The idea that the present capital allowances system has growth in investment and is in the main a switch in the method by which assets are financed by undesirable economic effects in terms of "competition theory" industry and local authorities. is somewhat difficult to compre-Lessors take very considerhend. The practice of profitable able care to evaluate all the companies passing on part of their gain from capital allowrisks involved and indeed would not have been in a position to ances to less profitable com-panies in the form of leased become lessors if they had not taken such care in all their assets provides those smaller, activities. husinesses with the opportunity R-Y. Birley. of freeing what-capital they have for investment elsewhere. Rea Brothers (Leasing) Lid., **King's** House. The resultant loss to the 35-37, King Street, EC2. Revenue, which is in fact the loss only of the inflation percentage on taxation deferred by **Provision** of the lessor, should be more than offset against the gain to the read John Elliott's report (July economy as a whole resulting 12) of the Industry Depart-from the investment of such ment's consideration of a capital. Furthermore, it should debt finance From Mr. W. Colegrare. be remembered that as the Sir,-David Freud Michsel Lafferty's article (July 10) is a useful contribution to Revenue from capital allow-Please may this scheme not ances becomes still less. an important subject. But it fails to stress two very import-The suggestion that the or "fashlon market is totally hiased towards ant points in examining the risks involved in the development of lessor business outside deal really understates the role the financial sector. The market for leasing is now much too openly-acknowledged — cause the without committee nos up interview for this sector alone, from 20m to 17m is "not of supporting and parturing dicated, the City has fradition. Banks will necessarily restrict exactly a decimation of the enterprise, invention and entre ally not been very good at the amount of leasing they do audience" (Chris Dunkley, July enterprise, invention and entre ally not been very good at the amount of leasing they do audience." (Chris Dunkley, July the present is see a few ideas along entrepreneur, and the present tax profits, if they were the of its viewers, the audience the lines of support for the capital allowances structure only people in the market would have been reduced only individual as well as the enables leasing to provide a leasing rates would rapidly rise to 18m.

There seems to be an assumption that the only suitable market for the provision of deht finance (and leasing is, of course, essentially deht finance) is the financial sector. This is to disregard the important role that the debenture market played until the mid-1960s when tax changes effectively made lt uncompetitive. At that time the Institutions and the public were providing substantial amounts of debt finance direct to industry; it was efficient and the cost was probably more The importance closely risk related than bank lending has ever been. Some ten

or so years later, the leasing market is to some extent replacing these funds.

There remain many legal and tax questions to be settled quite properly pointed out the before the leasing business can dangers of a rapidly expanding mature io such a way that leasmarker, hut in none of his ing paper might even be traded articles does he explore the through, for instance, the Stock Market. But it is not unlikely such an important means of that eventually leasing will be recognised as simply another form of debt financing but with certain tax benefits attached and as a result, carrying a lower coupon As to the economic effects of leasing, it is wrong to write that leasing has the "undesirable economic effects . . . of profitable companies passing on some of the gain to less profitable ones.". The 100 per cent first year allowance system combined with inflation means that most capital intensive businesses and certainly all expanding ones will have current or accrued allowances which at least offset their immediate corporation tax liabilities.

GENERAL UK: Accounting Standards Committee two-day public bearing starts in London. TUC Steel Industrics Committee meets British Steel Corporation,

Teesside. Price Commission report on gas tariffs published,

Wavertree (until July 21). Craft Fair, Fitzroy Square, Commission for Racial Equality report published. Mr. Joseph Rafferty, Agent-Loodon General for Victoria, Australia, Minster (until October 27). visits Birmingham. Overseas: The Queen starts African tour with three-day visit

Oppenhelm Mrs. Sally Consumer Affairs Minister, speaks at Advertising Association Consumer lunch, London. Prince Charles meets leaders of Welsb industry, Cardiff.

> BENCO TOTTE & FCORES

Organisation for Economic Securi Co-operation and Development of Ra publisbes report on world tions.

fore it is highly misleading to. refer to the figure of £40m as a . potential loss from running Corby (the loss for 1978-79 at Corby excluding interest charges was £1.4m, which is

have shown (as reported on July 11, page 10) that given a July 11, page 10) that given' a tax avoidance. David Freud and correct accounting treatment the Michael Lafferty's article enfigures which BSC presented to titled "The Treadmill of Leas-the trade unions to justify the ing" (July 10) was most in-To say that the saving would be 140m overstates it by some 600 contend that the growth in leas-per cents The £6,4m is not an ing is solely the product of the "interpreted" BSC's figures. 100 per cent first year allow-Either BSC management do not ances has been available since

115

5

00

mated cost saving is BSC's more the result of the changes "official" case, but other infor in the Control of Hiring Order mation that we have received - resulting in lower initial some of it confidential-from deposits-rather than the decithe whole rationale of BSC's decision. And this notwithstanding that the case for closure was extremely weak in the first place. As BSC is a publicly-owned corporation it should be asked publicly to justify its case for the loss of 12,000 jobs at Corby and Shotton.

Dr. R. A. Bryar T. J. Brignall Lecturers in Accounting and Finance). School of Industrial and Business Studies, University of Warwick, Coventry.

### Supporting invention

From Dr. S. Castell

Sir 1 was heartening to read John Elliott's report (July scheme designed to. aid small companies by way of a support economy strengthens, inflation package for those organisations decreases and the loss to the providing risk capital.

stop at only half-hearted able" measures, but itself make the large companies and the hig dramatic innovations of its nwn that the small personalised in the — thankfully now leasing operation provides. As some rather more exciting and openly-acknowledged - cause the Wilson Committee has inof supporting and unrturing dicated, the City has tradition-

institutional backer (or even moderate amount of venture hroker); official encouragement - capital. of a liquid over the counter

over supply, Industry and politicians need

W. R. B. Colegrave. 16; Dories Street, W1.

> Pricing policy

From Mr. R. Peorce Sir,---I wonder what the reasoning is behind aboe shops and other moltiple retail chains selling items for, say, £9.99 when the real cost is £10. Surely someone is not put off a purchase if an item is one penny cheaper, there would be benefits in the stores if all these items were rounded up hy one penny as they would have the extra income and instead of three or four buttons having lo be pressed on the tills then in the case I have quoted above the tens unit key only would bave to be pressed. They would not have to get in a vast amount of change and savings would seem to be there.

l would be interested to know what the reasoning is behind this pricing strategy, particularly as some of our best-known stores, with excellent reputatioo. do this. Surely shoppers can't now be gullible enough to think that £9.99 is a hargain whereas £10 is expensive. R. J. Pearce. 5. Marlborough Road,

and Castle Bromwich, Birmingham.

### Not exactly a decimation

From Mr. C. Joubert Sir,-Yes, indeed: a reduction large for this sector alone. from 20m to 17m is "not

excess of demand for leasing 47. Florence Road, SW19.

. . .

HEAD OFFICE: RUA AUREA, 88 -LISBON

**Today's Events** 

ports.

Last

Consumers

opeas,

### ANNUAL REPORT 1978

**BALANCE SHEET AS AT 31 ST DECEMBER 1978** 

(thousands of escudos)

Assets			Liabilities		
Gold and Sundry Currencies	52,304,601 1,075,480 51, 3, 1, 179,882 19,309 265,973 163,636 715,026 4\$1,700	453,512 ,229,121 ,597,510 ,103,932 198,200 160,573 112,337 263,326 ,971,203	Demand Deposits Time Deposits Interbank Loans and Deposits Sundry Creditors Other Liabilities Provisione for apacial risks Capital Reserves Adjustment in respect of previous year Profit for the year	23,312,228 37,491,749 6,741,382 851,521 3,437,431 900,000 290,980 (1,330) 57,540	60,803,977 11,030,334 8,213 1,190,980 56,210
TOTAL	73,	089,714	TOTAL		73,089,714

#### **CONTRA-ACCOUNTS**

Safe Custody items	26,164,593
Collections for customers	4,700,569
Collateral held as security	15,969,415
Guarantees and avais given	14,313,038
Letters of Credit opened	2,714,901
Acceptances issued	
Pledged Collateral	
Other contra and memorandum accounts	\$0,756,306

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1978

Interest payable Personnel Expenses(*) General Expenses Other Banking Expenses Sundry Taxation Depreciation Provisions Profits for appropriation	6,230,013 1,387,640 354,422 52,933 10,202 111,179 297,922 146,360	Interest receivable Commistions receivable Other Banking profits Income from Securities Other Incomes	7,269,588 290,592 662,822 288,912 58,657
TOTAL	8,570,671	TOTAL	8,570,671

### **APPROPRIATION ACCOUNT**

#### Losses relating to previous years (1) ..... 203,500 Profits for appropriation 146,360 Extraordinary Losses 5,226 Profits relating to previous years ..... 25,938 Current Taxation ..... Extraordinary gains ..... 84,544 57,540 9,424 Profit for the year ..... Provisions no longer required ..... TOTAL ..... TOTAL 266.265 265.266 (\*) This Squre includes 295,000 thousand escudos relating to social security payments. [B.T. & A. is the only Portuguese Credit Institution integrated into the National Social Security scheme). CHIEF ACCOUNTANT AND CONTROLER CHAIRMAN - Fernando Ginja Mendes Alvero João Pinto Correia These accounts were approved by the S for the Treasury by a Decree dated the 30th of April 1979

# **UK COMPANY NEWS**

# MFI surges to near £14m HIGHLIGHTS

# and sees more progress

£5.34m to e record £13.98m for the year ended May 26, 1979, on turnover £32.43m higher at

£87.47m. At midway, the surplus • comment had jumped from £1.71m to MFI ran into the almost in-£6.03m evitable profit-taking yesterday.

The company had a successful une, partly influenced by falling 4p to 170p, but there was nothing in the results to dent another almost daunting growth Budget anticipation " buying, and the directors remain con-fident of further progress into record. Indeed, with a two-point second-half margin rise to 16.9 per cent the group has allayed the 1980s.

As a result of the group re-organisation completed last month, the company is the principal trading subsidiary of MFI Furniture Group. earlier warnings of static rate of profitability improvement in the December-May period. Those

Based on the 66m sbares of the holding company, stated earnings per 10p share were more than doubled from 7.9p to 16.1p, while a special interim of 3p net lifts the total payment to 3.732p (adjusted 0.732p)-the special interim has been waived in respect of 15m sbares. A onefor-one scrip issue is also proposed.

The Board is considering future dividend policy and a statement is expected to be made at the annual meeting. During the year, nine branches

were opened and one closed. Expenditure on freehold properties and long leaseholds amounted to £5.3m

Since the year-end, three more branches have been opened, brining the present total to 67. Plans are well advanced for additional brancb openings during the current year and five additional are scheduled to be opened in December.

Tax charge for the year was ell up from £138.000 to well up £3.35m, with no provision made much institutional involvement.

TAXABLE PROFITS of MFI for deferred tax arising from Secondly, it might he about five Furniture Centres soared from stock appreciation relief. Re-years, freehold site availability at permitting, before MFI attains tsined surplus emerged an optimum UK retail network £8.74m compared with £4.85m.

and sometime between now and then the group will have to de-velop its thoughts on overseas expansion.

# Vita-Tex advances to £0.8m

warnings are again being emphasised but, if a less steady IN LINE with the optimistle midterm forecast, taxable profits of Vita-Tex, manufacturer of warp knitted fabrics, Improved consumer spending pattern this year suggests greater margins pressure, sterling's relative pressure, sterling's relative strength will help to offset any

from £507,592 to £803,392 in the year to April 30, 1979. At balfway, when profits were ahead from £207,000 to £351,000. the directors said they expected rise in the cost of imports, which still account for some 40 per cent of input. Given that capital spending on perbaps another 10 freehold branches and additional second balf results to be at least

as good as those of the first. They now say that buoyant trading conditions bave conwarehouse capacity is likely to top £10m this year, the dividend cover of 2.8 times fully taxed historic earnings (adding back tinned in the first three months waivers) and almost twice CCA. of the current year and this earnings is reasonably generous should continue throughout the even if the yield of 3.2 per cent 12 months despite rising synthetic fibre prices. The net total dividend is stepped up from 3.5p to 4.8p with offers little or no support. The fully taxed p/e is 16.4 but analysts are pitching at some-

thing in the region of f16.5m-f19m pre-tax this time which would lower the multiple to 12.4. a final payment of 3p. Turnover for the year rose from £7.53m to £9.08m and profit was struck after depreciation interest ot Tax That looks perfectly defensible £354.751 end might indicate scope to run of and (£334,237). Tax absorbed £172,189 (£136,767). Last time up to around 200p over the near absorbed term. Two points, bowever, are

worth considering. Over balf the equity is tightly beld and the market is too narrow to allow there was an extraordinary debit of £55,442. SSAP 15 bas been applied and comparative figures adjusted.

# Strong pound hits Wedgwood

FIRST-QUARTER results of Wedgwood "will inevitably be Sea situation" and the "highest very disappointing" hecause of interest rates obtainable in any the strong pound, according to Sir Arthur Bryan, chairman and managing director. developed country in the world," would pose a continuing threat to profitability.

Speaking at the annual general meeting yesterday, Sir Arthur said North American sales in the first quarter "show some in-crease despite the higher prices we are obliged to charge but, when those sales are converted to sterling, they are very nearly £1m down on the same period of

Sir Arthur indicated that it was too early to assess the implications of the strengthened pound on the full year's results. However, be expected the group to benefit from improved produc-tivity as the year proceeded.

which be blamed on " the North finance director, said after the

" Until it can be shown that the present increase in the price of sterling is based upon a sound Britisb economy, there appears to be no virtue in the present rise of some 10 per cent against the U.S. dollar since the end of our last financial year," he said,

Wedgwood exports some 57 per cent of its products, with the North American market recelving about 40 per cent of exports. Lack of confidence in the dollar could "cast a veil of gloom" over the company's per-formanca in the next six to nine

meeting.

### Upsurge at

### **Burroughs** Machines

With turnover up from £47.59m to £59,559m, pre-tax profits of Burroughs Machines surged from £2.2m to £11,58m in the six months to May 31, 1979. For the fast full year profits totalled £14.74m. First half profits included ex-

change gains of £836,000 (£1,095,000) and were subject to tax of £6.03m (£0.98m). The com-pany is a subsidiary of Burroughs Corporation of the U.S.

5836,000 and the rest of Europe 5.5 (4.4); subject to from America it was down at The com- 10.9 (15.6) while from Africa, Burroughs Asia and Australia it rose to 19.5 +16.7).

lower at halfway THE STRONG pound under-mined performance at Gesteiner Gestetner has acquired a further 7,970 shares in Scope In-corporated, a U.S. producer of Holdings, the reprographic equipment group, in the first balf of 1978/79. Taxable profit electronic communications equip-

Gestetner £2.2m

Group profit included £1.23m (f1.11m) investment income. After dividends, costing f1.16m (£0.98m), retained surplus emerged at £5.08m (£6.28m).

Gestetner's interim figures are cent from f129m to f131m. Sales in May and June show further gains but it sterling continues at its present high bas been upset to some extent by the introduction of new

remain under pressure, the part of the business. North America has bad to bear the costs of product launches, which (f6.34m) stated earnings per have been running rather behind 25p share were down at 13.45p schedule, and there bave (15.64p) basic or 10.23p (11.83p) apparently been e number of fully diluted. The net interim other special problems too. May dividend is stepped up to 2.5p was an excellent month for (2,125p). Last time a 2.2842n profits, but currency uncertain-final was paid from pre-tax ties overhang short term earch-profit down from a peak £29.8m ings projections, and the key

nuestion for the long term concerns the success of the company's response to changing technology. Meanwhile the dividend policy looks over-conservative — the interim is current cost earnings — but a prospective yield of maybe 7

Syltone well up at £1.43m

CONTINUING the progress made at halfway, when a rise from £512,000 to £701,000 was reported, pre-tax profits of Syltone finished tha year to March 31, 1979, some £382,000

# Courtaulds apprehensive about short-term outlook

DESPITE THE continued im- continue to aim at consistent and of eliminating such deficits wa performance steadily increasing dividend not yet complete. during the early months of its distributions." current year, Courtaulds has be For tha year to March 31; pre-

come less hopeful about its tax profits rase by 19 per cent short-term prospacts. Speaking at yesterday's rise to £1.66bn. Courtaulds is annual meeting. Sir Arthur paying a total gross dividend of Knight, the chairman described to FA Knight the chairman, described 12,594p, a 10 per cent increase

"difficult years" had been much With prospects for demand

company's costs, while sterling Sir Arthur held out the was overvalued in terms of in- prospect for 1981-82 of "a profit dustrial competitiveness, he which would represent a more caid

Audiotronic's £0.4m loss

The £500,000 trading loss which over lost through the closure of Mr. Geoffrey Rose, chainman of the two London shops, retail Anditoronic Holdings, warned turnover in June was up by 14 shareholders to expect when the per cent compared with the level Lasky family left the board in e year ago, and the distribution May, has materialised at just under £400,000, compared with a similar sized profit the profit the provided 27m of At the pre-tax level, however, losses to March were 2733,000 in the compared the produced £3.3m.

At the pre-tax level, however, losses to March were 1733,000 --reflecting the closure of the two Belgian shops --compared with f1.25m last time when the French operation closing down, the Below the line are more losses incurred in closing down, the photographic business. Though, these are disguised by a 1153,000 surplus from the sale of the leases on the Oxford Street and leases on the Oxford Street and Brent Cross shops. Mr. Rose attributes part of file

losses-amounting to £1.5m<sup>2</sup> of lost sales and £400,000 of lost trading profits—to the appalling winter weather and industrial disputes plus the French collapse. However, in announcing the figures yesterday, be also blamed much on the problems inherited from the previous Board The size and scope of the problems had been underestimated, he said. When he had bought into the company in August last year he had been given profit targets by the directors which were simply not achieved." Mr. Rose could not predict the ontcome of the current year although the first quarter accounts have been encouraging

aod show that the UK group was back in profit hy May. back in profit hy May. Allowing for the £31m turn-

Financial Times Thursday July 19 1979

Turning to the problems associated with a high sterling rate, he said the present level had a drastic effect on export margins—"it also provides a corresponding inducement to imports and so erodes home market margins for many goods."

Sir, Arthur said that the current sterling exchange rate was about 25 per cent above a realistic level, the consequence being lower profits and even losses on some business on some busine categories.

"We accept that because of "We accept that, because of North Sea oil and our inshility as-a nation so far to find the policies which will use its benefits to leave, as stronger when the oil runs out, we as exporters might have to live with some premium above the com-petitive level of sterling.

"A premium of say, 10 per cent—that is a current storling. dollar rate of 1.55 to 200—would be an uncomfortable our bearable spur. to further action in improve

Mr. Rose suid that he was con sulting legal counsel on number of transactions but re fused to comment as to whether he was contemplating leg Board.

• comment Audiotronic's figures for the pas year indicate only too meerin why the previous board wa looking for the capital injection which brought Mr. Rose into the driving seat. There is still a long way to-go. Although it company will not confirm it; (i balance sheet suggests the

creditors are squeezing or retail side where i all problems seem to he. distribution business alter producing only 22. per real group turnover, is sputte clean and profit-making the aim after trimining at

belgian and French disaturation is to tackle the UK hell shops More volume is needed to disa-overheads and the 12 new shop planned for this year should help. Stock policies are him heing overhauled by the visibility completely changed management However, there must still be serious doubt whether the Lasky's chain can regain for dominant market position are confidence is not restored by St nominal dividend. At tix 1p, the market price says it at

Tumover .... Loss Exceptional losat Loss before tax ... Tax recoverable ... Net loss Extreord, profits ... Dividends

77 Forward Profit. † Relating to retail Belgium (France)... ‡ Charge.... The prelilminary figures are

accompanied by a balance sheet which shows shareholders funds including the £1.5m new capital injected in last year and reserves of £2.57m (£1.5m). Fixed assets: heve declined from £2.29m to £1.98m, but the main changes are in current assets and liabilities. Stocks have been reduced and

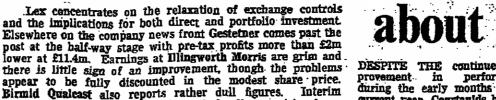
a one-off write off also made to hring the figure down from £6,98m to £6.29m. Debtors have stayed virtually stable at £1.44m but creditors have pulled back to £4.89m from £5.73m. Finally a major reduction in pro-visions has produced net current. assets of fim compared with net even if Mr. Rose underlines a

liabilities of £125,000. 25p he paid for the shares a During talks on group expectathis "permanent commitment" tions which failed to materialise positive factors.

Venesta's £20m deficiency

retail chain produced £8.3m. 62 weeks S1 weeks 1978-79 1977-78 5000 £000 32,235 36,347 393 +421 4/1-7 £000 36,347 421 1,700 1,279 1,032 b 262 67

đ



profits are halved to £1.9m but that is hardly surprising bearing in mind the rationalisation costs, losses in South Africa and the impact of the wioter's disputes. On a far happier note comes the full-year results from the fast-moving retailing group MFL. Despite earlier cautious comments from the company the full year has achieved nearly £14m pre-tax

the ontlook for the immediate: on the previous year. re as "less encouraging than." This was the seventh year in had anticipated in our succession that the payment had s." risen, although profits in these ith prospects for demond them. future as "less encouraging than. plans."

With prospects for demand "difficult years nad been much, growth limited both at bong too low in relation to the current and abroad, it became difficult value of assets employed. "In to recover increased traw consequence the level of re-material and energy costs tained profits has been low and through price increases. Higher so also has been the extent of interest rates also added to the the cover for the dividend."

dustrial competitiveness, he which would represent a more said. f Sir Arthur said that the im. we employ." When restated for provement noted so far bad been inflation, last year's profit—48m most evident in fibres, and against f7m—represented hardly fahrics, with strong performances any return on the employment in the overseas fibre manuface, of assets, which had e present turing companies and in the UK value of some fibri, he noted. fabric companies. Packaging had He expected some of the also made e good start. While making no specific divise activities to break through into-dend forecasts, he said "we shall profit, but said that the process

### ment, bringing its holding to 20 per cent. The total cost of this bolding was U.S.SS.44m, financed by e \$9m bank loan.

The share of this new associ ates profit included in the half-year results was \$138,000 (£67,000), and interest on the loan amounted to \$203,000 (£98,000).

where the weakness of cur-rencies against sterling was most marked, did not contribute materially to the results.

Overall sales growth, achieved at the expense of margins, was comment 10.6 per cent in currency terms

but in sterling terms the advance was down to 1.8 per disappointing. The strength of sterling is management's biggest headache by far. In addition, production in the UK

levels; the group's competitive position and overseas profits will models, and demand has been soft in the profitable supplies

With tax taking £5.15m

On a current cost basis. the balf-year surplus is £7.8m (£9.79m) after £1.03m (£0.95m)

additional depreciation and £3.15m (£2.85m) extra costs of sales less a £0.59m (nil) gearing covered well over 3 times by

Analysed geographically the percentage contribution from the UK to historical profit dipped to 27.1 (32.3) while other EEC per cent or more will probably underpin the sbares at 105p, down 7p yesterday.

countries accounted for 37 (31)

24

**Companies and Markets** 



# fell £2.2m to £11.4m for the six months to May 5, 1979, with almost £1m of the decline attributable solely to translation attributable solely to translation of overseas subsidiaries' results. Inability to pass on higher costs fully in prices and lower activity at the Tottenham factory reduced profits and margins in the UK. The com-panies in Canada and the U.S., where the weatness of Cur

directors warn.

to £27.2m.

against £5.3m

### From the Statement by the Chairman Sir Arthur Knight at the 66th Annual General Meeting on 18 July 1979.

#### **Three Year Review**

We have conducted a review of plans and prospects looking three years ahead. Looking ahead to the 1981-82 year we could see a prospect of earning a profit which would represent a more acceptable return on the assets we employ. Developments nf the past two or three months may influence the prospect.

#### External Eyents

Of external events in recent months the most important for us are: the increased prices of oil-hased raw materials used in the manufacture of some fibres, some packaging films and paint; the return to a higher rate of price inflation generally; the implications for our textile-related activities of the change of government; and, finally, the further increase in the external value of sterling.

The increase in nil prices is having serious effects but we can now expect positive benefits from being such large suppliers of cellulose packaging films and viscose fibres.

The increased rate of inflation affects our cash resources. We had reckoned that because nf inflation we would need some additional cash to maintain working capital. We now may need more but not so much as to endanger this year's capital spending programme.

A healthy industry can only emerge from competent, market-oriented managements but it also requires suitably supportive government policies because markets are distorted by the actions of other governments.

The Overvaluation of Sterling The problems which sterling's high external value create are intensified by the more recent increase. It is true that this is helpful in keeping down the prices of imports and thus contributes to keeping down the cost of living index. We fully support the government in giving priority to reduced inflation but success in this depends in the end on improved industrial performance. It is important therefore that the policy discussion takes account of the effects on performance of continued. overvaluation at the present level. It has been argued that sterling's high external value will force industrialists more actively to improve productivity, including in this term the needed shift into the manufacture of products with higher added value; and we eccept that the continuing effort towards higher productivity to which we are committed will be a major factor in improved performance. A strong external value for sterling will be an important consequence of success.

But we now have that strong external value in advance of success. Analogies are drawn between the UK situation and the success of the Germans and the Japanese in increasing exports notwithstanding the high external value of their currencies. Such comperisons overlook that Germany and Japan built up their industrial strength in the 1950s with currencies which were undervalued and their success in this period provided the basis for that later performance which we all admire. We in this country start from a very different position. What industrial nation has ever, anywhere, improved its performance on the basis of an overvalued exchange rate, continued inflation at levels higher than that of its competitors and high rates of interest?

Continued expansion in our sales is one way to create the conditions in which higher productivities can be achieved and any loss in sales volume has adverse effects on productivity, The competitiveness of the exchange rate is a key factor in determining sales volume, for us and for other large exporters,

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We accept that, because of North Sea oil and nur inability as a nation so far to find the policies which will use its benefits to leave us stronger when the oil runs out, we as exporters might have to live with some premium above the competitive level of sterling. A premium of say 10% - that is, a current £/S rate of 1.95 to 2.00 - would be an uncomfortable but bearable spur to further action to improve performance.

But we now have an exchange rate where the premium is 25% that is, an additional burden about 15% over the level we 25% that is, an additional burden about 15% over the level we would consider realistic. This has a drastic effect on export WIA 2BB.

margins; it also provides a corresponding inducement to imports and so crodes home market margins for many goods. The result is reduced profits and in some instances actual losses on certain categories of business. It is quite usual for us to lay plans which may take years to come to fruition and we are nnt easily deflected from our well-laid plans by transitory changes in key factors such as the exchange rate. However, unless positive ection is taken to case the premium, it may be long-lasting and this must cause us to re-think our strategies. If we abandon market positions which have taken many years to establish, a return at some more favourable time will be

mpossible or highly unlikely. The market forces which are causing the current high premium have been created to some extent hy government,. and we carnestly hope that the problems we and other industrialists have will be taken into account when policies are being considered.

The policy issues which I have in mind in expressing this hope are: First, the continuing controls on outward investment might be further relaxed and this might be expected to counteract some of the pressure which is creating our problem.

Second, is the fact that high interest rates in this country' are leading to further upward movement in the value of sterling. Because we welcome the action which is being taken to reduce inflation we see high interest rates as necessary to control money supply. But these high rates also attract foreign funds. Germany and Switzerland, both highly market-oriented in their economic policies, have found it necessary from time to time to rely on two-tier interest rates to deal with similar situations. There might he other ways, differential reserve requirements, for example, nf producing the same effect

Third, the country has large external debts some early repayment of which would help towards a more competitive level for sterling if combined with two-tier interest rates or similar measures; and in later years would be helpful in reducing the country's overseas interest commitments, thus providing some offset to the loss of North Sea oil revenues.

It is not my province to advocate policies; but we are sometimes told that we are concerned with market forces which should not he tampered with and my object in raising these matters is to suggest that these are issues ebout which judgments have to be made and decisions taken, to act or not to act, which then inevitably influence markets. I hope such decisions will he taken in ways which support the improvement in industrial performance which we all seek.

### Current Trading

The overall improvement in performance achieved in the second half nf last year has been maintained in the early months of this year. The improvement has been most evident in fibres and fabrics. The notable feature has been a strong performance in the nverseas fibre manufacturing companies and in the fabric companies in the UK. Packaging has also made a good start to the year.

The outlook for the immediate future is less encouraging than we had anticipated in our plans. The prospects for growth in demand both nationally and internationally are limited. In this situation recovering higher raw material and energy costs through price increases becomes difficult, and the higher rates of interest add to our costs and, as I have said, sterling is overvalued in terms of industrial competitiveness. However, we shall continue to benefit from what we have done to build up our strengths and to deal with weaknesses; and we shall take vigorous management action to deal with the adverse pressures. . . . .

The Resolutions for the adoption of the Director's Report and the Accounts and the payment of the final dividend on 27 July, for the to-election of Directors and for the to-appointment of the Auditors were carried at the Annual General Meeting held on 18 July 1979.

better at £1.43m.

A ner final dividend of 5.4367p raises the total payment from 5.6235p to 7p, on earnings ahead from 26.36p to 33.78p per 25p share.

Turnover for the 12 months was £14.65mi (£11.24m). Tax took £382,996 (£240,463) leaving the net balance up from £802.970 to £1,042,359.

The company's interests are in engineering, plpe system supply and wholesale electrical distribution.

Western Board increase

THE FORECAST advance in Western Board Mills' pre-tax profits for the year to March 31, 1979, turns out to be from £918,358 to £1,198,826. At the midway stage, when the projection was mede, profits were ahead from f423,000 to £548,000. The full year profit increase was despite losses on sales of inof prior years' accounts. In e note in the 1978 report vestments of £19,433, compared with profits of £69,864. that as a result of completing, the 1978 accounts of Ellerman With earnings per 10p sbare up from 8.6p to 10.7p, the final City Liners, the shipping sub-sidiary. "it has been established dividend is 3p for a 4.4p (3.7p) net total.

Turnover showed an improvement from £3.02m to £3.41m. Tax was higher at £631,332. (£451,967). Last time there was an extraordinary credit of £20,384. The retained balance came through at £378,878 (£415,030). The principal activities of the

group are manufacture of mill and fibre boards from waste paper and fabrication of board 'adjustments to prior year.' The components. The ultimate bold- total of £2.04m has been iog company is Legov (Jersey). excluded from the results for

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DIVIDE	INDS	ANN	OUNC	ED		
		Dete	. Corre-		Total	·
	Current				last	•
· ·		payment		year		
Andiotronic		-		0.05	0.21	
Birmid Qualcast int	1.5		15		4.98	•
N. Brown Invest	1.68	Oct. 3	1.68			
Gestetner int	2.5	Sept 7	2.13		4.41	
Illingworth Morris	1.15		Q.98	1.7	1.48	
MFI §special int	. 3 .	Sept. 27	0.4	3.73	•0.73	•
Benjamin Priest	4.62	Oct. 2	4.08	6.1	5.34	
Syltone	5.44		4.22	7	5.62	-
Union Discount int.	6.38	Sept. 3	6.38	· · · ·	17.66	÷
Unflock		_	3.29	5.39	4.9	
Vita-Tex		Oct. 1		4.6		2
Western Board Mills	ġ.		2.5	4.4		
Idris Hydraulic int.	2	Sept. 17			8 .	
Dividends shown pence I	a abara	Det excen	t whore	*hower		
Dividends shown pence i		for catch	in legue	+ 0-	se state	÷
• Equivalent after	ariowing	Nicition i	1990 - 1990 C			Ц
increased by rights an	of bolding		roanda -	LOLO	T MGGE	5.
S Based on 66m shares	or notain	g compan		· · -		-
					_	2
ALLEN HARVEY & B		-				

45 Cornhill, London EC3V 3PB, Tel. 01-623 6314 Index Guide as at July 12, 1979 Capital Fixed Interest Portfolio ...... 115.96 Income Fixed Interest Portfolio ...... 105.00

venesta international, the limber that on the basis of these figures world oil crisis and the dramat and packaging group in which Mr. David Rowland's William Hudson company beld a 47 per cent stake, sbowed a total deficiency of £20.5m when it went into receivership in 1975

into receivership in 1976. The estimated deficiency as assistant official receiver, Mr. directors to control the French

there are 2.02m preference sbares of £1 each issued for cash and fully paid np of £2.02m, and business. 14.2m ordinary shares of 25p

each issued for cash and fully of the receiver were only Other directors attribute the commitments w £154,874. The receiver warns failure of the company to that unable to meet."

Venesta International, the timber that on the basis of these figures world oil crisis and the dramati

Hudson company bold a 47 per creations of contributories. Lecision to invest neavily i cent stake, showed a total Various group directors of the France and the losses made i deficiency of £20.8m when it went company have attributed its that country, the investmer into receivership in 1976. The estimated deficiency as regards creditors generally is failure to a number of reasons. Deing financed with func-stated in a letter from the inability of the British Board of company.

In the opinion of the Officia assistant official receiver. Mr. directors to control the French. In the option of the Official E. W. Ebsworth, to unsecured company which as a result Receiver the failure of the creditors as £15.2m. In addition became too large a commitment company is primerily attributable in relation to the size and 'to the actions of its directors "I resources' of the English that they neglected to maintai Another has said that the within the means of its incom failure was due to losses incurred and caused -it to borrow it

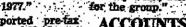


Ellerman Lines, the privately 1978 and deducted from reserves tionally weak, will produce a lot owned diversified group with at December 31, 1977." The group reported pre-fax ACCOUNTS DELAY profits reduced from 28.16m to ACCOUNTS DELAY 13.72m for the year 1978. AT BRITTAINS there bad been a mis-statement

in e note in the 1978 report Turnover, increased by 224m and accounts the group states to f187m. Within, that figure shipping turnover dropped by fim but an increase of £25m arose from the group's non-shipping activities.

that there was a material misthat there was a material mis. Suppling activities. The directors therefore intensistence of prior years' Mr. D. F. Martin Jenkins, the The directors therefore intensistence of the deal, with the re-election of group chairman, reports that he to deal, with the re-election of the deal with the directors that he to deal with the re-election of the deal with the deal with the directors that he to deal with the re-election of the deal with the directors that he to deal with the directors that he to deal with the directors the deal with the directors the deal with the directors that he to deal with the directors the directors that he to deal with the directors the deal with the directors the directors the directors that he to deal with the directors the directors the directors the directors the directors the deal with the directors the directo "Some part of tha mis-state can foresee little improvement, ment arose through weaknesses for shipping in the current year, "Some part of tha mis-state-" ment arose through wearingses but I hope we can prevent it in the accounting system. but I hope we can prevent it Another part arose from from worsening, although in the estimates made in the 1977 first three months the freeze up accounts subsequently proving to and disruptive industrial action have had a serious effect upon

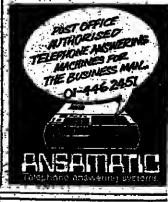
accounts subsequently proving to and disruptive indistriat ection be inadequate, which, because have had a serious effect upon they are in aggregate material our trading revenue." have also been treated as -fie adds: "The recent very big, 'adjustments to prior year.' The increases in oil prices will hit total of £2.04m has been shoping All these factors have excluded from the results for also affected our non-shipping operations. Nevertheless, I expect to see their trading results not much less than 1978. The final group result for the year may, however, be lower because of the higher impact of debt repayment and considerably less income from selling ships. The first half, which is trail-

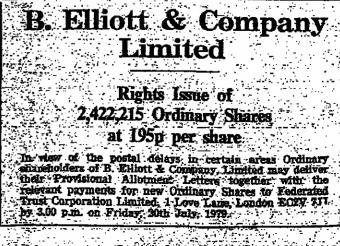


AT BRITTAINS Preparation of the

accounts of Brithins has bee delayed and will not be availabl for the AGM, which has bee set for August 8, at the Gree Eastern Hetel, EC.

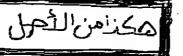
directors and then move th immediate adjournment, unt such time as the accounts becom available.





and the second second second

a fan de fan General de fan de fa



tlon

Go past any junkyard and you will see just a ample of what corrosion costs this country. But the full story is even more depressing. According to one official source corrosion costs this country a staggering £10 million a day! Which is a fairly pressing argument for making some changes in attitude. Many designers, ergineers, specifiers and buyers have already taken the challenge. They are looking afresh at

materials like stainless steel.

And they are being convinced by the total cost argument for stainless steel; that in the end stamless is cheaper than and outperforms conventional raw materials, especially when you look at the maintenance costs and longevity of each. That's why there's an ever-growing list of new products being developed and sold using stainless steel.

Products that demonstrate that good design and good construction can be successfully and economically wedded to long life.

يكو احد الاجه

A product made from stainless steel has the ability to totally satisfy the customer. Through design, through manufacture, through price and through performance.

As a businessman you should look again at stainless steel for your products.

After all, the cost of the alternatives is already being totted up.

If you would like to talk more about the possibilities of stainless steel contact Mike Whitecross, BSC Marketing, P.O. Box 150, Sheffield S9 1TQ.

# BSC stainless S





Une way

the cost

of totting

# Birmid halved midway but Guthrie may expects some improvement miss forecast

\$195,000.

vestments,

profits

second half. On marginally and it is already clear that irriga-higher turnover of £114.72m tion products will suffer from an \$105,000. sgainst £111.42m, taxable surplus other very poor season. The company's total multi-declined from £3.8m to £1.94m The interim dividend per 25p currency borrowings have for the 26 weeks to April 28, 1979

after interest of £568,000 t£538,000), share of associates' losses, down from £404,000 to Birmid Qualcast had enough £226,000, and an increased pro-vision of £1.8m (£1.54m) for rationalisation costs, which is one half of the estimated full-

ties in the foundries division were also restricted early in the year by disputes at customers' plants.

Continued low demand from the tractor market has recently been compounded by a sharp re-duction in requirements for diesel engine castings, and trad-ing profits in the foundries sec-tor were reduced. The had weather helped the

heating division to improve its trading performance hut alowed down initial demand for lawn mowers and aeverely curtailed sales of irrigation products.

Recent demand for lawn mowers has been good, hut sales of some electric models have been severely restricted due to shortages of electric motors and this led to lower profits from the home and garden equipment division.

A better level of activity ls anticipated in the second half for the foundries division, while demand for heating products repaid foreign currency loan during the year.

HALVED INTERIM profits are continues to be good. However, facilities smounting to U.S.\$ THE FORECAST of £30m profit per cent from R49.5m to R61.7m announced by Binnid Qualcast, the directors say the climats, as 255,000 in aggregate which were for 1979 made by Guthrie when in the first half of 1979 with but the directors say some has always, will influence results of due for repayment no later than it successfully feeded off the trading profit ahead 35 per cent provement is expected in the the group's seasonal businesses, January 31, 1981, as to \$150,000

share is maintained at 1.5p net, hut the directors warn that this In the previous full year, pro-fits had plunged from £10.55m should not be taken as indica-tive of the final dividend policy which will he assessed when The mid-year result was atruck full-year results are known.

comment

charges to its profits in the form of rationalisation costs and losses et its South African one half of the estimated full-year costs. The transport drivers' dispute adversely affected various parts of the group and trading activi-tion in the foundrise division -will be beyond the company's reach, and not only because the rationalisation is proving some-

what more expensive than expected. The Home and Garden division is being held hack by component abortages which are preventing Birmid from meeting orders for lawn-mowers, and this division will probably make less than last year. Foundries have under-

performed in the first half, and some loss elimination on the irrigation side together with higher holler profits is unlikely to make up for this entirely. The halance sheet remains quite strong hut Birmid is not going to want to pay dividends out of

reservea indefinitely: on the hasis of a maintained net payout for the year the yield at 461p is an improbable 15.8 per cent. MOORGATE INV. Moorgate Investment Co. has drafts were reduced by £850,000

bid from Sime Darby Holdings

currency borrowings have accordingly been reduced to

N. Brown added The Board nonetheless inten-ded to recommend dividends of 2Sp per share for 1979 as pre-

top £1m wiously forecast, be said. Mr. Gent was less optimistic ahout lhe UK and Australian operations than he had been when the forecast was made. But AFTER BEING down alightly from £310,000 to £301.000 in the first aix months. N. Brown Inthe plantation husiness was con-tinuing to do well and paim oil Manchester-hased mail order husiness, reports pre-tax profits of £1.01m for the year was a very profitable crop in its current price range. Rubher was not an economic crop as struc-

tured at present compared to palm oil and cocoa. Representations had hen made to the Malaysian Government to change the export daty. Excluding Sime Darby's hold-

ing of just under 30 per cent. Far Eastern shareholders owned some 12 per cent of the group he said. He could not say whether Sime Darby would re-Mail order activity was par-ticularly huoyant in the latter part of last year and this trend has continued in the early months of 1979-SO. new its take-over attempts when the regulation 12 months waiting months of 1979-S0. Turnover, net of VAT, im-proved from £16.72m to £17.34m. Tax takes £157,000 (£478,000 restated) giving eara-ings per 20p share of 6.7Sp against 2.59p. The final dividend is again 1.683p maintaining the total at 2.508p. There are avreautaordinary debits period ended in March 1880.

First half rise for Dunlop

## South Africa

Nine months ended

30th June

1979 590.000 3,655

R41-66 R16-63

R23-03

B24 185 000

R10,808,000 R13,357,000

R425.000

1.568

500 48 18-6

891

5.3

trading profit ahead 35 per cent from R5.21m to R7.02m.

bid from Sime Darby Holding earlier this year may be missed because of the rise in sterling. Sterling the first half improvement is unlikely to be improvement is unlikely to be The effect on forecast group profit would be over 9 per cent at current exchange rates said Mr. Mark Gent, chairman of Guthrie, at the AGM yesterday. But of course it was the rate of sterling at December 31 which would determine the ontcome, he added sustained during the second six months, but he is optimistic that

turnover improvement was accounted for hy inflation with only 12 per cent hased ou real growth.

Controlled prices were only increased by 10 per cent which is much lower than previously, the chairman says. This, coupled with sharply lower speed limits in South Africa which are expected to adversely affect tyre sales, leavea some doubt over Dunlop's performance for the rest of the year, Mr. Archibald Says

Union Discount ahead

Union Discount Company of London reports that trading profits for the half year to June 30, 1979 were greater than for the same period last year. Whereas a significant provision was then required for deprecialion in the value of tha portfolio, only a modest provision has been

14 per cent on June 12.

BIDS AND DEALS Reed sells property stake ior to MEPC for £10m

#### BY MICHAEL CASSELL

MEPC has paid f10m for the All the sales are for cash. The animal feed company in Holland, 49 per cent interest beld by Recd. total amount to be realised said yesterday that the talks International in MEPCReed through these sales, including were at a very preliminary stage. Properties, the company jointly dents to be assumed, will total Hendrix is a family-owned com-owned by the two groups about \$160m net of tax. The f10m deal representation of FI 37m (f8.2m) of

owned by the two groups. The £10m deal represents the latest development in Reed's widespread rationalisation and restructuring programme, involving the sale of Several operating subsidiaries. It also comes shortly after MEPC's successful 236.3m rights issue

announced last month. Samuel Properties said Associated Leisure has agreed yesterday it had completed the to huy Russ Hill Hotel, a com-sale of its interests in its West, pany which owns the three-star German subsidiaries, Samuel S5-bedroom Russ Hill Hotel set Grundstucksverwaltungs and in S acres at Charlwood near Samuel Properties GmbH. Gatwick Airport and three announced last month. Grundstucksverwaltungs and Samuel Properties GmbH, together with their two investtogether with their two invest and properties owned by ment properties in Frankfurt. The properties owned by ment profession and the sale was the accompany have been professible of subsidiary of Stitching Pension. sionally valued on an open fonds and the total consideration market hasis at f975,000. For of about £25,19m will go to the year ended April 26, 1979, of about £25,19m will go to th

repaying name norrowings in Russ Hill Floten had a under over Germany of £24.59m. The book of £723,000 and a net trading cost of the two investment profit of some £63,000. properties at June 30 last year. This acquisition hrings the was approximately £24.09m. Total number of hotela within profit of some 103,000. This acquisition hrings the total number of hotela within. The Associated Group to four. Its principal activities are the manufacture, distribution and sonth of amusement mathings.

### BOC SELLS ALLOYS PLANT BOC International announces that Airco Inc. has completed the sale of its ferroalloys plant

in Charleston, South Carolina, to MaCalloy Inc. for an undisclosed only a modest provision has been necessary on this occasion, despite the increase in MLR to McFarland, a retired officer of Airco.

**DUILIN ALIFICA** Dunlop of South Africa, 70 per cent-owned by Dunlop Interna-tional, reports turnover up 25 14 per cent on June 12. The net interim dividend is heid at 6.375p per £1 stock unit. Last year's total payment was 17.657p from net profits of £1.Sm. Airco previously sold, two. other alloys plants and plans to sell the remaining alloys opera-tion. which is in Sweden.

said yesterday that the taks were at a very preliminary stage. Hendrix is a family-owned com-pany, which last year made a net profit of FI 37m (£82m) of FI 1.08bn (£237m). Hendrix has around 7 per cent of the Durch said of the

### Assoc. Leisure £1m hotel acquisition

centres, amusement pa boliday centres and hotels.

Hendrix has around 7 per cent of the Dutch animal feed market and also exports processed poul-try to West Germany and other constrias. The company, which employs just over 2,000 people, earlier held inconclusive merger falks with the Dutch CSM sugar and foodstuffs concern.

DEVELOPMENT FINANCE FOR adjacent houses for film. The properties owned hy the GREASEATERS Greaseaters, manufacturer of degreasing equipment for clean-

ing machine parts in garages and machine shops, has obtained £330,000 of development finance from Kleinwort Benson. As part of the arrangements the hank has acquired 26 per cent of Greaseaters will use the money to finance new produc-tion equipment and a sales

expansion both in the UK and rental of amusement machines, and the operation of leisure Europe. Turnover is currently running parks. at a rate of almost f3m per annum and the company is DRG EXPANDS The Dickinson Robinson Group has acquired the 55 per cent halance of shares in the French commercial envelope and personal stationery manufacturer Papeteries de la Couronne of Angouleme. Charente. DRG expanding into Europe, with the assistance of Rhone Poulenc in France, and in Germany and Italy. Greaseaters' machines are also to be manufactured. under licence in Australia. A range of motor trade pro-Angouleme. Charente. DRG-acquired a 45 per cent interest in the company in 1974. ducts is being developed under agency arrangements for sale through Greaseaters own distri-

La Couronne, whose net total assets are in the order of £5m, is bution network. lcader in the French stationery industry and employs some 1,100

S. HOFFINUNG The acquisition by S. Hoffnung and Company of the capital of the the privately owned Earp Wood-cock Beveridge and Co. saw-miller and retail timber and bardware merchant has now DRG bes paid special attention to export markets for atationery and predicted in the annual report that it would focus on the development of new prospects in Enrope and the U.S. in 1979. Last week DRG announced the purchase of Reed International's

The total consideration paid or payable is SA2,557,822. Net tangible assets as at June 30, 1978, was \$A3,722,946.

stationery operation in South Africa for £3.6m. NO PROBES The following mergers are not to he referred to the Monopolies BP Nutrition, part of the Bri-tish Petroleum grach, is holding, Commission: LCP. Holdings minority interest in The Whit with one of Holland's leading enimal feed producers, Hendrix

lock Corporation; Gateway Build ... iog Soclety/Sandy Building Society; and Harrisons and Cros-field/The chrome chemicals

abrieken. field/The chrome chemical BP, which also owns the Trouw business of PPG Industries Inc.



Union Corporation Group Directors' Reports of Gold Mining Companies for the quarter ended 30th June, 1979.

### LESLIE GOLD MINES LIMITED Issued Capital R10,400,000 in shares of 65 cents each.

**OPERATING RESULTS:** 30th June 1979 255,000 1,071 4-2 R29-90 R19-28

Ore Milled (t) Oold produced — kg. Yield — (8/1) Revenue per ton milled Cost per 10n milled Profit per 1on milled Working revenua Warking costs

#### ended months ended 31st Mar. 30th June 1979 255,000 1,071 1979 765,000 3,213 4-2 **OPERATING RESULTS:** Ore Milled (1) Gold produced — kg. Yield — (g/1) Revenue per ton milled Cost per ton milled 4.2 R27-87 R18-01 R27-68 R18-35 R9-86 R9-33 R7,106.000 R21,176,000 R4,593.000 R14,041,000

Profit per lon milled

Working revenue

### THE GROOTVLEI PROPRIETARY **MINES LIMITED**

Issued Capital 82 859,704 stock in units of 25 cents each Quarter Jist Mar, 30th June 1979 30th June 1979 1979 390,000 1,560 4-0 R26-59 R15-72 390,000 1,755 780,000 3,315 4-3 R29-45 R16-45 R13-00 R32-3 R17-18 R15-12 R10-87 R12,599,000 R10,371,000 R22,970,000

### **KINBOSS MINES LIMITED**

			-
Issued Capital R18,000,000 stoc	k in units of R1 eacl	h. '	
	Quarter anded <sup>2</sup>	Ouarter	Nina months ended
OPERATING RESULTS:	30th June	3ts: Mar.	
	1979	t979	1979
Ore Milled (1)	395.000	395,000	1,185,000
Gold produced - kg.	2,449	2,567	7,702
Yield - (g/t)	6-2	6.5	6-5
Revenue per lon milled	844-91	843-01	·R42.77
Cost per ion milled	R20-78	R20-10	R20-10
Profit per ton milled	R24-13	R22-91	R22 67
Working revenue	R17,739,000	Rt6.990.000	R50,684,000
Work ing costs	Ra.206,000	R7,939.000	R23,819,000
Working profit	R9.533.000	R9,051,000	R26.865.000

Financial Times Thursday July 19 1979

**Companies and Markets** 

# ended March 3, 1979, compared with £809,000 previously. with £809,000 previously. The relatively large profit increase is attributable to improved efficiency and com-puterisation and the continuing policy of eliminating less profit-able areas of operations, the directors say.

There are extraordinary dehits of £33,000 (£340,000) and £545,000 against a £194,000 deficit, is retained, Bank over-

Cost per 10n milled	R19-28	R18-01	· Rt8-3
Profit per ton milled	R10-62	R9-86	R9-3
Working revenua	R7,624,000	R7,106,000	R21,176,00
Working costs	R4.916.000	R4,593.000	R14,041.00
Working profil	R2,708,000	R2,513,000	67.135.000
Nel sundry revenue	R30.000	R70.000	R204,000
PROFIT before taxation and lease			
consideration	R2.738,000	R2,583,000	R7.339.000
Taxation and lease consideration	R1,493,000*	R1,435,000*	R4,009,000
PROFIT after taxation and lease		11111001000	
consideration	R1.245.000	R1.148.000	R3.330.000
*Includes mining tax at formula app	lieshis to Stals as		10,000,000
Capital recoupment			<b>F17,000</b>
Olvidend declared		R2.240.000	R2.240.000
	R116.000	R112.000	R312:00
Loan levy (recoverable)	H110,000	N112.000	n312.000
OEVELOPMENT:	. 736	. 877	2,582
Advanced (m)	. 730		2,300
Sampling results :	000	770	
Sampled (m)	362	270	1,130
Channel width (cm)	_ 13	17	18
Av. value : g/t	26-4	19.9	19-8
Cm. <u>a</u> /I	330	339	357
Olvidand .			
Oividend of 14 cents per share we	as paid on 1 tth M	ay, 1879.	
Capital Expenditure			
Amouni epproved by Soard	R124,000		

WINKELHAAK MINES LIMITED

Oividend of 80 cents per share was paid on 11th May, 1678.

A borehole drilled 3.500 metres east of No. 5 shaft in the erea under option to the company intersected tha Kimberley Reaf at a depth of 330 metres: the inter-section and two definections have visided an average value of 30-1 grams per ton over a channel width of 76 centimetres equivalant to 2,287 centimetre grams

MARIEVALE CONSOLIDATED

MINES LIMITED

Ouerter

255,000

R14-22

R7-28

R6-94

R3,626,000 R1,857,000

R1.789.000

R33,000 R1,802,000

R1.011.000 R791.000

R1,500.000 R96,000

On 8th June, 1973. Orvidend No, 78 of 40 cents per share was declared payable

to members registered at 29th June, 1979. Oividend warrants will be posted on or about 8th August 1879.

R25.000

1979

510 2-0

30th June

Commitments in respect of contracts placed Amounts approved in addition to commitme

fasued Capital R1.125.000 in chates of 25 cents each

Outrie

31st Mar.

240.000

Rt3-33

B7-71

R5-62

R3,198.000 R1.849.000

R1.349.000

R50.000 Rt,399,000

R764.000

R635,000

R9.000

R73.000

1979

450 2-0

anded months anded

30th June

496,000

R13-79

R7-49 R8 30

P6.824,000

R3,705,000

R3.116.000

R83.000 R3,201,000

R1,776,000 R1,776,000 R1,426,000 R34,000 R1,800,000 R1,800,000 R1,800,000

1979

990 2-0

ed Capital R12,190,000 in shares of R1 each.

**OPERATING RESULTS:** 

**O** the definition of the def

Cost per ton milled Profit per ton milled

Working revenue

Nori ing prolit

naideration

Caoiral expenditure Oividend declared

Advanced (m) Sampling results: Sampled (m) Channel width (cm)

Capital Expanditura

**OPERATING RESULTS:** 

Ore Milled (I)

Ravenue per ton milled

Working profit Net sundry revenue PROFIT before taxation

PROFIT aftar taxation

Capital recoupments Rividend declared

Olvidend

Loan levy (recovarabla

Cost per ton milled

Profil per ton milled

Working revenue

Working costs

Gold produced Yield — (9/1)

Av. valua : g/i

Cm a/t

Bividend

Ganerel

Loan levy (recoverable) OEVELOPMENT :

king costs

Mry revenu PROFIT before texation and lease

consideration Taxation and lease consideration

PROFIT after taxation and lease

Ore Milled 111

	working custs	no, /02,000	NO, 131,000	n12,033,000
	Working profit	R5,897,000	R4,240,000	R10.137,000
339,000	Net sundry (expenditure) revenue	R(35,000)	R47.000	R12.009
•009,000	PROFIT before taxation	RS.862.000	R4.287.000	R10.149.000
	Taxation	R3.258.000	R2.226.000	R5.484.000
330, <b>000</b>	PROFIT after taxation	R2.604.000	R2.061.000	R4.665.000
	Capital recoupment		Rt.000	R1.000
17.000	O ividand declared	R4.118.000		R4.118.000
240,000	Loan levy (recoverable)	R310.000	· 8212.000	R522.000
312:000	OEVELOPMENT (Kimberley Reaf) :			1100-1000
	Advanced (m)	1.017	916	1,935
2,588	Sampling results:			.,
	Sampled (m)	682	623	1,205
1,136	Channel width (cm)	34	33	34
18	Av. vatue : a/i	40-2	23.9	31-4
19-8	Cm.o/t	1.357	789	1.068
357 .				1,000
	Olvidend			
	On Sin June, 1979 Dividend No			
	payable to members registered at		8. Oividend w	ramants will be
	posted on or about 9th August, 1979	9.		
	Capital Expanditura			

roved by Board R118.000

### **BRACKEN MINES LIMITED**

			Issued Capital R12,600,000 in shar	es of 90 cents eac	zh.
Querter	Quarter	Nine			
ended	ended	months ended		Quarter	Quarte
30th Juna	31 st Mar.	30th Juna		ended	ender
1978	1979	1979	OPERATING RESULTS:	30th June	31 st Mar
626,000	525.000	1.575.000		1979	1879
3.885	3,780	11.603	Ore Milled (1)	190,000	185,000
7.4	7.2	74	Gold produced — kg.	1,159	1,248
R62-41	R47-72	848 43	Yield (g/t)	6-1	e-4
B17-02	R15 48	R16-50	Revenua per ton milled	R <b>43-9</b> 4	R42-S5
B35-39	R31-23	R31-93	Cost per ton milled	R18-03	RI6-45
R27.514.000	R26.053.000	R76.283,000	Proin per ton miled	R24-81	R24-10
R8.935.000	Ra.\$60,000	P25,991,000	Working revenue	F8,345.000	R8,287,000
R12,578,000	F16.393.000	R50.292 000	Wesking costs	R3, \$15,000	R3.598.000
B814.000	R525.000	R1.702.000	Working profit	R4,734,000	R4,699,000
			Net sundry revenue	R112,000	R111.000
R18.192.000	B16.818.000	R\$1,994.000	PROFIT before taxation and leese		
R11.907.000	R10.456.000	R32.095.000	consideration ·	R4,846,000	R4.610.000
H11,207,000			Taxation and lease consideration	Ra.848,000	R2.976.000
R7.285.000	.R8.452.000	R19.899.000	PROFIT after laxation and lease		
R36.000	R20.000	B131.000	consideration	R1,898,000	R1.834.000
130.000	<b>B9.744.000</b>	R9.744.000	Bividend declared		R3.360.000
R828.000	R779,000	R2,394,000	Loan levy (recoverable)	R220,000	R223,000
11000,004	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	112104-1004	DEVELOPMENT:		
3,183	2.963	a.37e	Advanced (m)	641	597
-3, 1953		4,974	Sampling results :		
736	890	2.328	Sampled (m)	263	150
79	60	60	Channel width (cm)	27	36
16-7	21-3	196	Av. value : g/1	16-7	25.6
1.098	1,307	1,174	Cm.g/1	1.048	921
1,020	1,007	1,174	Dividend		
ras paid on 11th M	May, <b>16</b> 78,		Bividend of 24 cents per share wa	IS PERSON 11th M	ey. 1979.
			Capital Expenditure		
racts placed	R438.000		Amount approved by Board	R91,000	
commitments	R7.960.000	• ·			

### **BEISA MINES LIMITEO**

Issued Share Capital R3.900,000 m shares of R1 each. Loan Capital edvanced to date : 857,229,000.

Shafts

At the end of the quarter the No. 1 Ventilation Shaft had reached a depth of

SG metros. Station cutting on 1 Level had commenced. At No. 1 Shaft siter completion of construction work of the sinking stage, hoists end compressors, juli scale sinking started during May. By the end of June the shaft had reached e dopth of 168 metros below surface.

General

Construction continued on the erection of the mine's surface buildings including enst offices, change houses, store buildings and house for blacks. By the end of the quarter 39 rooms in the hostel had been completed and occupied. In Welkom 52 houses for white employees had been completed. The construction of water purification plant is complete.

Capital Excenditors

Expenditure to date on property, shelts, plant and equipment and general xpenditure has amounted to R30,223.000. Commitments in respect of contracts pleced R28,296,000 Amounts approved in eddition to commitments R130,428,000

Ali the above companies are incorporated in the Republic of South Africa.

The quarterly reports have been epproved and signed on behalf of the respective companies by two directors. Copias are evailable from ; London Secretaries: Union Corporation (U.K.) Limited.

Princes House, 95 Gresham Street, London EC2V 7BS. 18th July: 1879.

Nal sundry revenue	R147,000	R233,000	R616,000
PROFIT before taxation and lease			
consideration	R9.680.000	<b>H9.284.000</b>	R27,481,000
Taxation and lease consideration PROFIT after laxation and lease	R5.646,000	R5,437,000	R15,928,000
consideration	R4.034.000	R3.847,000	Rt1.553.000
Capital expanditure	R170.000	R293.000	R627,000
Oividend declared		R5.760.000	R5.760.000
Loan levy (recoverable) OEVELOPMENT:	R439,000	R423,000	
Advanced (m) Sampling results :	2,826	2,300	7,940
Sampled (m)	738	563	2,096
Channel width (cm)	62	73	58
Av. valua : 0/1	12-6	9-0	13.7
Cm.g/t	780	658	794
Dividand		• •	•

B121.000

Orvidend of 32 cents per unit of stock was paid on 11th May, 1978. Cepital Expenditure

Commitments in respect of comracts placed Amounts approved in addition to commitme R1 127,000

### **ST. HELENA GOLD MINES LIMITED**

SSUE	Capital	R9,625,	000 in 1	ahares of	R1 coch.
------	---------	---------	----------	-----------	----------

	Quarter	Ouarter	Nin
	ended	ended	months ender
OPERATING RESULTS:	30th June	31si Mar,	30th June
	1979	1978	197
One Milled (1)	430,000	480,000	1,440,00
Gold produced - kg.	4,320	. 4,320	12,960
field (8/t)	9-0	. 9-0	9-0
Revenue per ton milled	R62-39	R60-46	R59-04
Cost per ton milled	R24-18	R23-03	R23-19
rofit per ton milled	R38-21	R37-43	R35-25
Vorking revenue	R29,949,000	R29,019.000	R85.015.000
forking costs	R11,607,000	R11,054,000	R33,390,000
/orking profil	R16,342,000	R17,965,000	R51,625,000
et sundry revanue	R255,000	R294,000	R1.024.000
ROFIT before taxation and lease			
Insideration	R18,598,000	R18,269,000	R62.649.000
exation and lease consideration	-R10,753,000	R10,264,000	R30.357,000
ROFIT after taxation and lease			
onsideration	. R7,845,000	R7.995.000	R22.292,000
apital expenditure	R295.000	R429,000	R1.069.000
ividend declared		R12.031.000	R12.031.000
oan levy (recoverable)	R871,000	R830,000	R2.458.000
EVELOPMENT (Basal Reef) :			
dvanced (m)	1,899	1,682	5,414
empling results :			_
ampled (m)	195	158	. 761
hannel width (cm)	. 92	87.	95
v. value : g/t	10-0	· 8-1	11-3
m.a/t	924	· 786	1,070
ividend	-	• •	
	was said on 1 th	Mar 1070	
Oividend of 125 cents per ahare	was paid on 1 Cm	Play, 13/3.	
apitel Expenditure			
Commitments in parment of cont	hands also	8287 000	

ments in respect of contracts places ved in addit

### UNISEL GOLD MINES LIMITED

Stated Capital 28,000,000 shares of no par value.

STATION CUTTING AND OFVELOPMENT Oevelopment operations continued on all levels from No. 4 to 10. At the end of the quarter the crosscut on 10 Level, which is being dev fact a second outlet with the workings of No. 4 Sheft, President S

servanced 559 metres Station Cutting :	ICOVI	ng 131	integres to t	ancero nea		-
Advanced (m)				210	· ·	
Osvelopment: Advanced (m)		•	•	5,194	• • •	•
Sempling results: Sampled (m) Channel width (cm)		•	-	1,068 190		
Av. value: g/t Cm.g/1		. •	•	8-8 1,554		•
Stoping	· .	•				•

That stoping increased during the quarter. One from development and stoping, which was messed at the St. Helena Reduction Plant, yielded gold to the value of R1,728,000.

 Connection
 Nal expenditure for the period under review on shaft, clant and equipment and openeral expenditure amounted to R4.437.000 (to date R65.723,000).

 Commitments in respect of contracts placed
 R258,000

 Amounts approved in addition to commitments
 R8,076,000

Since 30th June, 1979 the cross-cut on 10 Level has, as planned, holed into the workings of No. 4 Shaft, President Steyn, thus providing a second outlat for f13.7m, profits before tax of Benjamin Priest and Sons (Holdings) doubled to a record £2.62m in the year ended March 30, 1979, compared with £1.3m in the previous 53 weeks.

BP NUTRITION

talks on possible co-operation

The figures foclude a contribution from the recently merged Warne, Wright and Rowland for the four months from November

the four months from November 30 last year. Profit is after interest of £233,098 against £92,715. Tax takes £534,030 against £242,710 giving earnings per share of 17.67p compared with 18.44p. The final dividend is 4.62p, lifting the year's total from 5.340824p to 6.094p. The directors say the results were schieved despite the prolonged disputes that affected

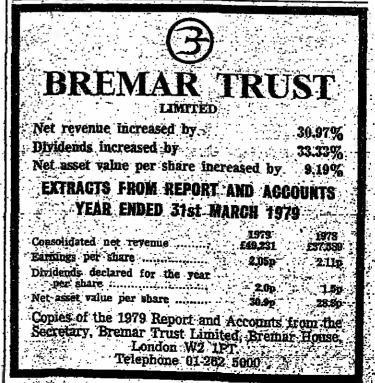
prolonged disputes that affected the automotive industry in the autumn, widespread disruption to trade, in the new year and harsh winter conditions.

With regard to the short-term been made to the year. The group has improved its strength forther and is lo s better position to pursue opportunities for growth. • comment

Benjamin Priest has benefited quite: significantly from two major ecquiaitions in the past couple of years so that the apparent doubling of turnover and pre-tax profits in the latest figures flatters the noderlying trend considerably. The year's accounts include a four-month contribution from Warne Wright and Rowland, a metal-working company acquired last year. Also Store. Lodge Lane. Ipswich, included are the activities of Suffolk, 12.15; Pension Fund Crossland; a panel-pressing Property Unit Trust, Cafe Royal, operation acquired in February, 68; Regent Street, W, 12: Stone-1978, Stripping out these, turn, hill: Churchill Hotel, Portman over 5 up by inet 18, nor next Suffork W, 1120, Miller Fortman 1978. Stripping out these, turo. hill. Churchill Hotel, Portman over is up by just 16 per ceot Square, W, 11.30. Witan Invest-and pre-tax profits have in ments, 11, Austin Friars, EC, creased by 19 per cent. The come 11.30.

automotive industry disputes of last autumn (the motor industry is a major customer) and the difficulty in deliveries suised by harsh winter weather. At SIP, np 1p; the p/e is 4.3; while the yield of 11.4 per cent is covered nearly four times -a not unattractive rating. Today's company meetings Airflow Streamlines, The Saxon Inn, Silver Street, Northampton, 12: Alpine Soft

Northampton, 12 Alpine Soft Drinks, Richmond Way, Cheims-ley Wood, Birmingham, 12. Boots, 20, Aldermanbury, EC, 11. Burnett and Hallamshire, Cut-lers' Hall, Church Street, Sheffield, 12. Century Oils, Grand Hotel, Trinity Street, Hanley, Stoke-on-Trent, 12. Country and New Town Proper-ties, 6-11: Agar Street, WC, 12. Country and New Town Proper-tics, 6-11; Agar Street, WC, 12. Harrisons and Crossfield, The Baltic Exchange; 14-20, St. Mary Axe, EC, 11.15. International Paint, Henriettz House; 9, Hen-rietta Piace, W, 12. Leigh Interests, 75; Harborne Road, Edgbaston, Birmingham, 12. Thomas Locker, Church Street, Warrington, 11. Normand Elec. Warrington, 11. Normand Elec. Warrington, 11. Normand Elec. Warrington, 12. Normand Elec. Warrington, 13. Normand Elec. Warrington, 14. Normand Elec. Hoe. Vere Gardens, W, 1145. Northern Securities Trust, 16. Findsbury Circus, EC, 12. Francis Parker, Avisford Park Hotel, Walberton, Arundel, West Subser, 12. Pauls and Whites, Store Lodge Lane, Ipswich, Sar El.4m



1. Sec. 2. Sec

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### R13.782,000 R8,390,000 R5.392.000 R3,350,000 R627,000

# **UK COMPANY NEWS**

# **MINING NEWS** Gold earnings rise at **Union** Corporation

Financial Times Thursday July 19 1979

### BY PAUL CHEESERIGHT

Companies "

and Markets

Stal.

\$241 \$242 \$243 \$245 \$245

Corporation Oroup-Orr. to June 30 \$265 \$242 \$264 \$242 \$282 \$261 \$255 \$260 Qur. to Otr. to June 30, March 91 1.1

5243 5241 Men Rend The Union Corporation mine mining the least benefit was St. Helenz, the only one in the group in see profits fall. It also had to meet a slightly bigher tax charge. But St. Halena, in common with other group mines, managed to confine its increases in costs. At Marievale, costs per tonne of nre-milled, actually cachined declined.

boosted gold production on the anticipated, to suffer from the back of higher ne grades end mining of lower grade gold ore

IN QUIET contrast to the recent this is reflected in increases to vigorous movements of the profits above the average, hullfon price, gold mines of the Unisel, the developing inline, has Union Corporation and General meanwhile holed into the Mining groups today announce, workings of the adjacent operating results which show President Steyn mine, thus generally a Steady but and creating a second outlet. All gained the benefit of a the rise in profits at Buffelston-finner builton price in the June tein was held back by the arratic quarter with sverage prices, flow of granium revenes, which ranging between \$10 and \$25 an dropped in the June quarter. Quarter with sverage prices flow of granium revenes, which ranging between \$10 and \$25 an dropped in the June quarter. Stillfontein. West Rand Consolidated's

West' Rand Consolidated's uranium income rose in the June quarter and is expected to increase again in the current quarter, belping to cur its deficit. June March . . . .

Lower earnings at Johnnies gold mines

NET PROFITS at Bandfontein

NET PROFITS at Mandfoniein States and Western Areas, two ort. ot. gold mines controlled by -R00 R000 R000 Johannesburg Censolidated In-1,893 1,834 11,660 2,604 2,061 1,780 4,034 3,467 13,672 June quarter, desplie the benefits 4,034 3,467 13,672 of a higher bullion price and, 7,845 7,995 36,452 to a for Randfontein, increased ask 7,285 6,462 to 152 Operating results for the

Winkelhaak, the major gronp mines, published today, show mine, and Groevylel, both that Randfontein continues, as boosted, gold production on the attained of the state

£4.6Sm.

the reducing levels of capital expenditure. Bnt exploration on the Middle Elsburg Reef has met encouraging gold and uranium values. Juna Mer.

etr. etr. 017. R000 R000 R000 18.435 20.417 20.539 8.047 8.650 5.315 Rendiontein .... Western Areas

AMAL. TIN MINES

WITH second-half profits slumping from £2.61m to £989,000, Dlingworth, Morris and Co. finished the year to March 31, 1979, with the taxable surplus well down at £3.36m, against

At midway, profits were up from £2.07m to £2.37m, but the directors said forward projections indicated that the second-

balf surplus was unlikely to match that of the first. They now say the results of

the woot and cotton textiles manufacturer reflect the had winter—with strikes and the impact of the Iranian revolution-and the lack of buoyancy in the bome and traditional export markets.

Exceptional efforts are being msde to hold markets and to apply resources to develop those Bac. parts of the group where expan-sion is possible, they add. Turnover was marginally higher at £120.8m. sgainst £119.71m, including bomes sales of £56.14m (£57.24m) and direct exports of £50.2m (£47.3m).

(fl.3m), stated earnings per 20p sbare are lower at 6.83p (8.66p). The net final dividend of 1.15p representing the balance of the proceeds arising from the further sala of its bolding in Amalgamated Tin Mines of Nigaria Limited. This sale reduced the company's holding in ATMN from 60 per cent to 40 per cent Attributable profit came through at £2.82m (£3.25m). 40 per cent. The company's sterling casb

**BOARD MEETINGS** 

Illingworth down to £3.4m

after second-half slump

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not sequeble as to whather dividends are interime of finals and the sub-divisions ahown below are based membry on last year's timetable.

ahown belew are basad mainly on last year's timetable. TODAY Interime: Gmenirur Investment. Jamesons Chocolates, London and Lomond Investment Trust, Parambe Remney Trust, South Alricen Land and Exploration. Southwall, Vasi Reals Ex-ploration and Mining. Western Deep Izvala.

ploration and Mining, Western Levels. Finals: Allnatt London Properties. Astra Industriel, Atlantic Assats Trust. Clifford and Snell, Denbyware Distillars, Dowry, Fodens, Greet Universal Stores. Haslemere Estates, Nellis Bros. and E.S.A., Negrati and Zambre, St. George's Laundry (Worcester), Scottish Hemes Investman, F. N. Terrkins. Trustesa Cotooration. Trustess Corporation. FUTURE DATES

Lex Service Level: (Y. J.) Prestige July 31 A.A.H. sh Oledo tillarda carthys Phermaceuticel Julv 

ing even and remain unfashlon-able. Against this poor trading

Attributable profit came through at £2.82m (£3.25m). Through a change in the group reserves bave been reduced by £313,000 (£78,000). at £2.85m wines out Ine company's stering cash and sbort-term deposits held in the UK now amount in £1.45m, e - substantial proportion sre considered to be surplus to requirements. The Bosrd is consulting its financial advisers, Hill Samuel and Co., on proposals regarding these funds.

yield of over 10 per cent. The p/e, though, is only 3.3 which adequately reflects the very shaky prospects.

My in 1:50

### Black Arrow up to £0.45m

WITH TURNOVER higher a £7.19m against £5.85m, taxable profits of Black Arrow Group moved ahead from £364,628 to #453,190 for the year ended March 31, 1979, and the directors say the improvement in trading has continued into the current

year. When reporting half-yearly profits up by £31,000 to £171,000, the directors said the second six months should show an improvement over the first period—in the evant, second-hatf surplus was ahead at £282,190 (£224,628).

Turnover for the year was split between, leasing £1.66m (£1.5m), office furniture distribution £3.54m (£2.43m). electrical distribution £1.02m and electronic appliance

and electronic distribution £0.97m (£1.13m), component (£0.79m).

Avaitable profits increased from £310,228 to £527,458, struck after tax of £64,218 (£54,400) but including an extraordinary credit of £138,486 this time, being the profits of the sale of a subsidiary and a leasehold property. Net earnings per 50p sbare rose from 4.7p to 5.89p and s net final dividend of 1.5p (1p) lifts the total payout from 1.6p to 2.2p, costing £145,200 (£105,600).

THE BIRMINGHAM MINT LTD					
YEAR ENDED	31st March 1979 £'000	1st April 1978 £'000			
Turnover	10587	9050			
Profit before tax	691	386			
Profit after tax	579	354			
Per Ordinary Share	Pence	Pence			
Earnings	28.7p	16.8p			
Dividends	7.5p	4.86p			
Points from Chairman's Sta Earnings per share up 71 % Dividends up 54 % Improved trend continuing		ear			

27

Icknield Street, Birmingham B18 6RX

General	Mining	STILFONTEI GOLD MINING COL	MPANYLIM	ITED
		Issued Capital—13,082,920 shares of 50 cm Operating results	onts each. Quarter ended	6 months
Cmo			30 June 31 Mar. 1979 1979	endad 30 Juna 1979
GOLD MINING COMPANIES' REPORTS FOR All companies mentioned are incorporated in	THE QUARTER ENDED 30 JUNE 1979	Gold Mined	157,586 137,753 516,000 483,000 4,151,000 3,944,643 8-06 8-52 56-58 56-95 37-41 39-18 122-27 131-63 19-18 17-47 7,020 8,584 256 243 illed for 84fal50nten G	295,319 878,000 8,095-643 8-28 55-76 38-24 126-64 18-52 6,333 248 cold Minting
BUFFELSFONTEIN	WESTRAND	Company Limited. Financial Results (R'000)		
GOLD MINING COMPANY LIMITED	CONSOLIDATED MINES LIMITED	Gold-Working revenue	29,142 26,368 19,266 18,133	55.610 37,395
GOLD MIPHING COMPANY LLIPSIALLE Assued Capitel—11.000,000 shares of R1 each. Operating Results 0 June 31 Mar. 30 June 30 June 31 Mar. 30 June 1979	Issued Capital—4,250,000 shares of R1 each. 25,000 deferred shares of R2 each. Operating results. Operating results.	Income	9,878 8,235 10 19 169 1,732 (1.143) (700)	18,1 1,9 (1,8

Shell raises stake in Australian coal

THE AUSTRALIAN arm of the mine; being developed by Shell group vesterday became Houston Oil and Minerals, las the biggest shareholder in tha proposed A\$400m (£201m) German Creek coal mine in north Ouearelard in a function of the Notherlander Queensland in a further restruc-turing of shareholdings in the project, reports Roger Johnstone from Sodaew

In the London-based Interconti-mental Fuels and 23 per cent of the stake (25 per cent) held by the UK. Commercial Union A Shell spokesman. has indi-cated that there would be further restructuring in the consortium before the project is due to come on stream in 1982. Part of this will be seen next year when Shell itself will issue 13 per cent of the mine's equity to the Austra-lian poblic. Details are yet to be worked

toring of shareholdings in the projects trying to get under way project, reports Roger Johnstone in Queensland's Bowen Basin-from Sydney. Shell has paid A\$12m to Oaky Creek and all have found acquire the 25 per cent interest the current depressed world inf the London-based Intercontic steel industry a standbing block

# Amalgamated Tin Mines of Nigeria (Heldings) has now received from Nigeria £228,000 representing tha balance of the After reduced tax of £405,000

per cent.

Infercontinental' Fuels is 20

it will continue to represent the consortium on the marketing front. Although no customers have which contains 380m tonnes of mineralisation infersectad varies high-grade coking coal, Shell in-from several countries had ex-from f. 200m 2.5 to 31m and sssays lead dicated .yesterday; that buyers from 2.2 to 3.6 per cent and pressed inferest. The nearby Oaky Creek coet grammes a tonne. The nearby Oaky Creek coet grammes a tonne.

Unilock jumps 70% to near £1.4m

A 70 per cent immp in pre-12x profil from £808,000 to £1,37m was achieved by Unilock Holdings, maker and installer of partition systems, in tha year to March 31, 1979. Sales by the group, which is upqnoted, reached fil.23m, compared with

All areas of business, other than the joint venture in Saudi Arabia, contributed significantly

to the results. Mr. M. H. F. Newman, the schairman, warns that the cutback in central and local government spending, will reduce the amount of work available to the industry. A more liberal stillude by the new Government towards office ionly the company's more distant future prospects, he says.

A growing contribution is experied from the gronp's export company, but a stronger pound Ron Wordley, the managing finid make this more difficult director.

1 AV

÷.

2.

to generate. Overall, however, Mr. Newman is encouraged by the perfor-mance of Unilock over the years. After tax of £725,000 (£405,000) earnings per 10p share (4.9p). The company holds close status. Its shares are traded in instead of on a market created by M. J. H. Wordley said. Nightingale and Company.

as to \$5.3 per cent. well advanced, he added,

him poblic. Details are yet to be worked out, bnt Sbell is apparently aim-ing at retaining a 23 per cent interest in the neverall project. Shell has been concentrating on the Australian... coal scene. The find is on properties of recently and already holds a 37 per cent. Interest in the New South Wales coal miner Ansten After the latest restructuring

and Butta. After the latest restructuring the Germen Grek consortium will be mede up of Shell 48 per cent, Commercial Union 2 per cent, Rurkuhle 10 per cent, the UK National Coal Board 10 per cent and Austen and Butta 30 were completed on Cirque last math manth.

intercontinental' Fuels is 20 per cent owned by the NCB and a mineralised zone averaging acts as the Enropean agent for 7.4 per cent combined lead and Austen and Butta. It is believed zinc with 31 grammes of silver a it will continue to represent the consortium on the marketing The most recent dritting indi-

Advance

### by Oil and Associated

For the year to March 3t, 1979, revenue before tax of Oil and Associated investment Trust improved from £322,253 to £350\_260.

Basic earnings per 25p share are 2.42p (2.13p) and dituted 2.3Sp (2.03p). The final dividend is 1.8375p net lifting the total payment from 2.0955p to 2.42375p at a cost of £232,825 (£196,882).

Tax for the 12 months took  $f_{117,325}$  (f121,852) and the balance carried forward was f56,000 (f55,895 t.

### HTV facing major tasks

HTV Group about to enter an extended IBA programme contract period ruoning from August, 1979 to December, 1981, faced many major tasks, said Mr.

The company would expand its programme service in Wales and the West in meet new iBA requirements, end would plan its participation in the management of the fourth TV chancel in were 53 per cent better at 14.2p Wales and its contributions to were 53 per cent better at 14.2p Wales and its contributions to (9.3p). A net final dividend of the second ITV network. HTV (3.616Sp lifts the total to 5.39p was preparing to make pro-Wales and its contributions to grammes for two ITV chapoels, instead of one, by 1982. Mr.

These developments entailed the purchase of land, the design, construction and equipment of

CENTURY OILS studios, the crettion of new 19bs The recent rights issue by and all investment of several Contury Oils has been taken up fm. Some of these tasks were unit advanced he added.

 
 Storid
 (Ca)
 217,428

 Ore milled
 (r)
 773,000

 Gold recovered
 (g)
 8,563-870

 Yisid
 (g/t)
 8-49

 Working revenue
 (R/t milled)
 59-77

 Working costs
 (R/t milled)
 59-77

 Working costs
 (R/t milled)
 36-74

 (R/ca mined)
 130-62
 130-62

 Income
 (R/t milled)
 23-03
 843,300 3,150,000 195,756 Go 782.000 8,465-825 8-27 646-790 8-48 53-66 Ore Gold Yield 54-30 34·90 139-40 19-40 34-87 130-28 18-79 

 (K/Cs maned)
 130-62

 Income
 (R/t milled)
 23-03

 Price received on Gold:
 (R/kg)
 7.038

 Seles
 (S/or)
 255

 The above figures include are processed by Sulloatein
 Sulloatein

 Ura Min Ore Gok Yial 6,343 229 6,557 239 .We Wo ..... ....... . ประกับกร 3,089,000 830,100 763,000 770,000 Inc. Pric Sale 157,500 0-205 158,600 0-208 0-204 169.014 46,199 47,460 Gold-Working revenue. 27,289 109,845 28,401 59,169 15,171 17,798 -income ..... 30,238 485 2,118 (8,059) 13.257 157 2,699 Uranium—Income Sandry Mining Income—Net..... Sundry Non-Mining Income—Net..... 105 578 766 (1.943) (1,379) te and Royalty Payments-Net .... income before Taxation and State's 27,418 14,637 85,949 19,801 35,796 8.089 Income after Terration and State's Share R50.153 R13,712 R12,781 of income..... 5,319 8,723 5,074 5,325 8,720 22,013 9,720 22.000 200 2.518 13.200 120 1,595 (603) Loan levy Development 16,672 2,214 117 18.294 65.472 1.306 117 1.677 57 22 6,372 (m) Clannel Width (cm) (cm) Average yalue-gold (cm.git) 1,873 1.810 gradium ..... (cm.kg/t) 52.30 53-22 813 e2-3 107 4.026 1,452 63-2 106 Champal Width (p/t) Value : Gold (p/t) Uranium (kg/t) (cm.kg/t) 110 21-15 2,312 0-555 20-18 2,148 0-527 20-26 0-586 66-73 Available Unavailable Inaccessible Stope width Total Min 9,870 145 Stope width -- Citt Value : . Gold : g/t ..... 11-10 11.65 11.78 1,685 1,500 1,704 1.904 ium : 0-371 53-78 0 356 51-91 kg/t cm.kg/t 0-363 52-27 52-49 Not included in the above reserves are 333,000 tons at a gold value of 12-75 g.'t Not included in the addre reserves are 333,000 rons at a gold value of 12-75 g.1 and uranium value of 0-345 kg.1 classified as permanent pittars. One reserve pay limit is calculated at an estimated gold price of R7,601/kg (\$280/m) and an estimated realisable value for prantum exide. UNARIUM Uranium deliveries have been very erratic during the year which resulted in e URANIUM decrease in wanium income for the guarter. STRATHMORE SHAFT SYSTEM Stating of the Spathmore shaft system is progressing satisfactorily and has reached a depth of 295 metres below collar. Cutting of the 27's level station is progressing, NOTES ment values quoted above represent actual results of sampling (no

Development values quoted above represent actual nature of sampling (no allowance having been made for any adjustments which may be or were recessive) when estimating one reserves at the end of the financial years. All financial figures are subject to audit. An intercent ogures are subject to aucci. The supply of experienced Black labour on all the mines remains good. The quarterly reports have been approved and signed on behalf of the respective companies by two directors. Copies are zvailable from :

London Secretaries: General Mixing and Finance Corporation Limited.

Princes House, 95 Greehem Street, London EC2V 7EN.

# 18th July. 1979. . . . .

Uri Mii Pul Dxi Yie Fin Go Ur. Sun Sun Trib Inc Sta Ince Tax Inc Cay Dis Lea Re ປະ Ada Sar Chi AN Pa) Me Per Chi Va Ad Sel Ch Pa Pe Ch Val ŲF U 18 LU Go Lui

	30 June	31 Mar.	onded 30 June	Income
140-0-0-0	1979	1978	1979	Taxatio
old Section	38,759	31,829	70,588	Income
a Milled(f) Id recovered(kg)	142,500	129,600 481-694	977-118	of in
td(g/t)	348	3-72	3-59	Copital
anium Section ned	98,146	91,147	189,293	Dividen
9 Milled	294,000	278,500 134-190	572,500 272-960	Loen les
d Recovered	138-770	0-48	. 0-48	1
arring revenue (R/t milled)	10-07	10-03	10-05 24-22	Advanc
(R/t milled) (R/Ca mined)	76-81	81-06	78-71	Sample
come (loss) (R/t milled)	(13-96)	(14-40)	(14-17)	Average
ce received on Gold : les	6,932	6,644	6,790	Payable
(\$/oz)	256	241	247	Metres
anium				Percent Channe
ned(Ca) Ip treated(f)	98,146 294,420	91,147 278,900	189,293 573,320	Value-
ide recovered (kg)	92,282	87,330	179,812 0-319	· -
ld(kg/t)	0-313	0-313	0.313	
na neial Results (R'000)				Develo
dd-Working revenue	4,396	4,092	8,488 20,456	For the
Working costs	10,488	5.968	20,430	Total
-Income (loss).	(6.092)	(5,876)	(11,968)	Reaf Vasi
	4,247	3,308	7,555	Venters
anium-income	. 5	5	10	Livings
ndry Non-Mining Income-Net	14 (191)	82 (125)	96 (316)	
but and hoyany payments				Totals
come (loss) at Mina	(2.017t 1.568	(2,606)	(4,623) 3,672	Payab
ata Aid		· <u> </u>		
come (loss) before Taxation	(449)	(502t	(951)	Vaal
zation				Venters
come (loss) after Texation	R(449)	R(502)	R(951)	Livings
to 1 Free days - Ourster	938	812	1,750	Totals
-Commitments	2,069	2,205	2,069	
-Remainder of year vidends-declared-Ordinary	3,385 318,750	3,972	9,385 318,750	· Ore Re
-Osferred .	106,250	-	106,250 7·5	
cents per share—Ordinary —Deferred	425-0	_	425-0	
an levy	_	_	. –	Tons (C
evelopment				Stope
ranium Section	·		44 000	Value: Gold:
dvanced	5,787 2,342	5,241 2,375	11,008 4,717	g/t
ampled (m) hannel Width (cm) verage value - Utanium (cm/kg/t)	57	60-44	59 65-76	. cm.ç Uraniu
verage value Uranium (cm.kg/t) Gold	73-17 165	169	162	kg/t
wable:			2.351	cm.t
etres	1.268 54-1	1.083 45-8	49-8	The foll
hannel Width (cm)	69 1-442	52	66 1 429	1
lue: Uranium, (kg/t) (am.kg/t)	98-99	87.94	93-90	(1) Int
Geld	2-95 203	3-40 211	3·15 207	Ore res
(	203	211		(\$280/
old Section dvanced	1,022	639	1,661	Buffel
jm)balqmt	128 116	184 119	312 117	Ore mi
hannal Width (cm) verage Value : Gold (cm.g/t)	1,443	1,479	1,464	
wante	32		119	PROD The in
dures	24.7	47-2	38-0	produc
hannel Width	54	120 18-46	103 19-80	suface
ahu <del>o</del> Gold (git) (cm.git)	27-96 1,515	2,215	2,029	ORER
• - •				An em Decem
RANIUM renium Income Increased in line with cor	tractual com	nitments and	is expected	The co
renium income increased in line with con- increase substantially during the second	i hell of the ye	ar.		CHEN
UIPAARDSVLEI AREA				Site di
ood progress is being made with the exp	lotation of th	e urenium rei	erves in the	the pla
nipsangeviei sieter in mens minimus entre in oor		•		the pla

18.198 9,169 8,912 4,634 8.286 4,535 after Taxation and State's Share R4,751 R9,029 R4,278 712 231 Expenditure-Quarter ..... 48 481 1,245 2,512 4,572 35 146 393 3,419 Committ -Remainder of year 4,572 -cents per share..... 35 621 475 wy ..... 7,978 1,245 26 1,838 24-15 18,868 3,234 8.890 1,989 28 1,646 24-01 27 1,720 24-06 um .... (cm.kg/t) 1,440 72-4 27-4 75-1 2,058 1-026 28-10 933 74-9 24 95-7 2,269 1-217 2,373 73-4 25-9 83-2 2,141 1-101 (m) (cm.g/t) ...(kg/t) antolim ..... 28-39 (cm.kg/t) ment Summary three months ended 30 June 1979 Uranium Cha Geld width g/t 72-2 7-4 cm.g/t kg/t cm.kg/t 1.783 1-056 26-08 401 0-097 5-28 advanced sampled ... 8,372 1,791 ct 194 198 ст. 25 55 8,372 sdorp Contact stone -\_ 59-4 1,646 0-867 24-01 8,566 1,989 28 Par- Channel Gold Uraniam Payable centage g/t cm.g/t 75-1 2,058 kg/t cm.kg/t 1-028 28-10 Metres payabla 1,440 80-4 27 1,440 sdorp Contact Ξ \_ Ξ Ξ \_ ionaga ..... s ...... 1,440 72-4 27 75-1 2,058 1-026 28-10 eserves at 30 June 1879 East Vertical Shaft area 395 Scott Shaft area 350 Toni Margaret Shelt Shelt Total Mine 1,970 120 Shaft anee 125 *srea* 608 nclime 494 000's) . . . . 120 120 120 120 120 12-70 1,523 12-84 20-37 2,444 11.46 12:49 1,375 1,499 1,538 1 t...... 0-138 0-420 0-200 tg/t..... 16-50 50-45 24-09 0-134 0-171 15-20 20-54 0-161 flowing tonnages are not included in the above Ore Reserves : ngvailable one reserves in shaft pillara, etc : 116,000 tons at a gold value of 12-63 g/t and uranium value of 0-098 kg/t. naccessible ore reserves requiring epening-up operations : 1.642,000 tons at a gold value of 11.20 g/t and uranium value a f0.162 kg/t. eserve pay limit is calculated at an estimated gold price of R7,501/kg elsfontein Ora nilled for Buffelsfontein Gold Mining Company Limited has not been led in the Stilfontein Results. DUCTION ncrease in tonnage milled is attributable to a higher than enlicipated when rate and the processing of sludge from the waste washing plant and RESERVES for was made in the calculation of tramium values as published in the other 1978 quarterly report and as reflected in the 1978 annual report. wrected and updated figures are set out abova. WWES LIMITED construction was completed lowards the end of the quarter which is ministrify 4 months ahead of schedule. Pre-production commissioning of last bas since commenced and a limited amount of slime is being led into

# **INTERNATIONAL COMPANIES and FINANCE**

# **Celanese leads advance in** chemical company profits

BY DAVID LASCELLES IN NEW YORK

chemicals corporation, announced a sharp 88 per cent rise in net income for the second quarter yesterday, bringing it to a record \$45m. This is equivalent to \$3.03 per share, and compares with \$24m or (\$1.64) in the same period last year. Sales rose by 22 per cent the world market to \$809m.

The biggest gains came, in chemicals, both in the U.S. and foreign markets. Mr. John MaComber, president, said this outstanding performance " resulted from strong product de-Per share earnings of the chemicals group rose from 47 cents to \$1.69.

Mr. MaComber said that the Board would be recommended to raise the dividend by 5 cents a share to 60 cents.

Sharply better earnings were also announced hy Dow Chemical, the third largest chemical Sales rose company in the U.S. Net in- \$1.02bn. Mr. Edward Hennessy, come was \$215m, up 40 per cent president, oaid gains resulted

CELANESE, the major U.S. on the same period last year. from increased sales of North Per sbare carnings were up from 84 cents to \$1.19, and Sea oil at higher prices, and improved performance in agricultural and industrial chemisales rose 32 per cent to cals and plastics. Mr. P. Oreffice, president, said

Two other leading U.S. that the company had been able chemical companies, Stanffer to ensure for itself adequate Chemical and Rohm and Haas, ouffered mixed fortunes. energy, despite the condition of Net income at Stauffer Chemical in the second quarter Fastest growth was in Dow's overseas only just topped the comparable period, with \$23.6m or 54 operations, which accounted for more than 50 per cent of cents a share against \$23.24m or 53 cents. Sales rose from commented: \$304m to \$345.2m. "We're prepared for the

For six months, Stauffer's net income advanced from \$75.76m the second half of 1979, but or \$1.73 a share to \$84.84m or frankly have scen no evidence \$1.94 a share, on sales ahead from \$733.6m to \$843.9m.

that Dow's husiness to beginning any significant downturn." Allied Chemical reported a Rohm and Haas fared con siderably better this time, with small improvement. Net income net income up from \$14.84m or rose to \$39.2m nr \$1.37 a share \$1.16 a share in the first quarter to \$27.22m or \$2.11 a from \$35.9m or \$1.27 last year. from \$829m to share. Sales for the quarter advanced from \$247.6m to \$426.4m.



LANDMARK anti-trust decrce banning car manufacfrom turers exchanging technical information has been modified by a Federal Judge in Los Angeles to permit greater co-operation hetwcen companies in the companies in the lod ostry.

The raling by Jadge Jesse W. Cartis struck down a provision in the anti-trust consent decree forbldding the free exchange of restricted information on pollution control systems, and a requirement that prohibits car manufacturers from issning certain joint statements to regulatory agencies on the Solid growth at Bankers Trust state of industry technology controlling exhaust for

emissions. It is thought that the rnling could be a first step towards encouraging other joint technical programmes in the industry.

The jndge based decision in part on the changing environment since 1969, in particular the fact that agreements between comcar manufacturers pcting become nccessary have hecanse of the billions of dollars manufacturers must spend to meet Government fucl Federal spend economy pollntion control and

The jndge said that the costs of research on meeting the standards bave hecome so

In addition, the Govern-nent itself has been ment encouraging joint anto approved an agreement be-Chrysler under which the financially-pressed Chrysler and safety systems from GM. Major car companies have

Government - sponsored programme for co-operation on hasic research. One objective of the research is a dramatic improvement in fnel economy.

# **American Motors stages** further strong recovery

### BY JOHN WYLES IN NEW YORK

OPERATING efficiencies introduced in the last 12 months for Jeeps. bave continued to boost earnings at American Motors Corporation, which yesterday reported fiscal third quarter profits more than double those of a year ago.

This profits surge from \$6.1m or 20 cents per share to \$15.1m or 49 cents per share was achieved despite a slight decline in both passenger car and Jeep utility vehicle sales. The latter is a particularly anxious development for AMC, since its profits recovery of the last two years after two previous years of losses was achieved on

BY OUR FINANCIAL STAFF

against \$2.99. The net figure for

the second quarter improved by

SS.Sm to \$28.7m whereas earn-

ings after securities transatcions stood at \$2.36 per share against

Net profit for Wells Fargo for

the first six months reached

\$61.2m again \$52m, with per share earnings at \$2.71 against

NEW YORK - LTV. Corpora-

results from continuing opera-

tions to "compare favourably

tion expects second quarter month.

the back of booming demand Jeep production st just three The U.S. petrol shortage AMC is now reaping the benefits bowever, has halted this growth of considerably improved in demand, and significantly efficiency and profit margins. in demand, and significantly efficiency and profit margins, worldwide Jeep sales fell during. The profit improvement was the last quarter from 50.121 to achieved with a 11.9 per cent 49.666 units. Passenger car improvement in sales from sales, meanwhile, fell from \$703m last year to \$798m. These

securities transactions.

62.418 to 62.322 units. However, the petrol sharinge month earnings to a record for has brought some compensating the decade of \$73.3m on sales

car, the Spirit. AMC's repair sales total for the quarter were sales during the quarter of 7,327 Renault small cars, which 44,133 units were more than are now being sold through double those of the preceding more than 500 AMC dealers three menths. under a marketing agreement three months. By concentrating car, and concluded earlier this year.

marked down by an average of i of a point as the U.S. dollar weakened further against all major currencies. However investors were, not selling bonds in any quantity Mean latest results bring AMC's nine while; prices of Deutsche Mark bonds rose by a f of a point while sterling denominates benefits in the shape of wasty of \$2.3bn. improved sales of AMC's suze Included in the wholesale car bonds posted gains of between

plants in CBuada Bud the U.S.

the new issue for Argentina which had been priced at 984 instead of the indicated 99 on Monday started frading vester-day. It was unoted at 901-904 The floating vester at 901-904 The floating rate, note sector remains steady with dealers reporting very liftle activity. The issue for Genossenschaft-liche Bank was unoted at 984-904 in the float day of traffini

Currency

swings

unsettle

**By Francis Ghile** 

Eurobonds

IN A Eurobond market unsettled

by currency finctuations

prices of dollar-denominated

bonds, with the exception of

finating rate note issues, were

TAN

994 in its first day of trading Strong demand for Deutsche Mark denominated bunds, especially: domestic issues, continued with foreign inves-tor interest much in cydence. On Mundar the German domestic market absorbed without any apparent difficulty

BANKERS TRUST New York \$2.33 after securities trans \$33.7m, with per share earnings has recorded solid growth, actions Second quarter profit after securities transactions at increasing its first half net profit for the hank holding company \$1.49 against \$1.32. by \$16.9m in \$55.4m. This repre-smounted to \$31.3m. against Net profit for Crocker sents per share earnings after \$28.2m with higher earnings per National Corporation in the securities transactions of \$4.54 share at \$1.39 against \$1.26 after. first half was \$41.7m compared DM 3bn worth of Schuldschein with \$31.1m and earnings per notes for the Federal Govern The Los Angeles based bank share improved to \$2.81 from holding company Security Pace \$2.30 after securities trans-fic Corporation boosted in first actions were taken into account. ment. The mainrity of the paper offered ranges from 10 to 20 years. Usually the maturity range on such paper is from 3 half net profit to \$80m from The bank holding company's \$63.6m. and improved per second quarter net increased to share earningo to \$2.92 signifies \$21.2m from \$16.3m, and its \$2.49 after securities trans per share earnings moved ahead to 12 years. The yield available to the investor is 8.35 per-cent on 20 year paper. 825 per cent on 15 year paper and 8.02 per cent on 10 year paper. Not only did the market take actions. The second gnarter to \$1.43 from \$1.18 after securithis offering in 16 stride but yesterday the Bundesbank sold DM 190m worth of domes. tic . bonds because of the strength of demand; not least from abroad. oreign Dentsche Mark bonds posted gains of up to i uf a point on the day with the recent issue for the World Bank touching 1001 n the Swiss franc sector Paribas (Suisse) is arranging a SwFr. 40m convertible for

Denki Kagaku Kogyo The borrower is paying B compon. of 41 per cent for five years. Meanwhile the SwFr 16m 51716 h from the recent change over to electric furnaces from open bearths for steelmaking at his for Manafrance was oversite scribed according to the had manager Benque Gutzwiller, Kurz, Bungeber.

ayment of interest and principal of the bonds are guaran teed on the local taxes of the town of Saint Etienne. rench, franc Europonds, which have been hit bard in recent

weeks as a result of the re-lentless rise in-French domes tic, interest rates, appear id: have found a new level at. nich they might after income from the company's buying interest. Yields of bepatents on a process to purify tween 10.80 and 11.75 can be iron ore pellets using natural obtained on outstanding h, the gas. In 1978, royalties, from earn-those patents totalled \$5.4m ip by amounting after taxes to 30 French franc Euroboods with most prices hovering nist above the 90 level. At the same time yields of between 11.20.50 per cent are available on recent prime quality-French Government domestic paper. One major difference between the two types of paper is that maturities of Franc Eurobonds range between 5 and 10 years whereas the average maturity, of domestic government paper is 15 years. The recent Norway 91 per cent Corporation earned 1 cent per share for the period against nil bonds due in 1984 offer the investor a yield of 11.22 po cent while the Rent In the first quarter, the retail Finance 91 per cent bonds due in 1985 offer 11.52 per centcompany . Interco - lifted net earnings per share from \$1.20 If and when domestic interest rates peak, which many Erench hankers seem it believe will happen before Brown-Forman Distillers rose from \$2.45 a share to \$3.15 and July is out potential interest. should be translated into buying orders. the new issue market in Frenct franc Eurobonds has mean while been effectively closed until September when the committee, which includes Treasury officials and representatives of major French banks and meets regularly in; discuss the new issue calendar. Will review the situation.

# Goodrich turns in sharp rise

\$26.8m to \$18.1m.

NCR Corporation optimistic for full year

reported for the first half, as

Mr. Andersoo also predicted

The list shows the 200 latest international bond issues for which an adequate secondary market

NCR put up a strong perform-

total sales.

Mr. Oreffice

widely-predicted recession

#### BY OUR FINANCIAL STAFF

rich, the U.S. tyre and chemi- so good. Sales rose only 4 per second-hal cals group. jumped 41.5 per cent cent in to \$24.6m in the second quarter on the back of a strong performance hy its chemical pro-ducts division. quarter performance brought net earnings to a record \$50.9m

Chemicals sales rose 15.2 per cent to \$259.7m, and operating remaining months of 1979 is income more than doubled to clouded by a statement by the \$23.9ni. The picture for tyres company that it faces a chal-

BY OUR FINANCIAL STAFF

the cash registers and com-

puters concern NCR Corpora-

second half of the year, accord-

profit is not expected to match

THE EARNINGS outlook for the 57

tion remains favourable for the ance in last year'o second half.

ing to Mr. William S. Anderson, that the company's sales would chairman. But he said that net exceed \$3bn

exceed \$3bn

NET EARNINGS of B. F. Good- and related products was not lenge in matching last year's rich the U.S. type and chemi- so good. Sales rose only 4 per second-half net earnings figure operating income tumbled from

per cent increase not experiencing any particular

xceed \$3bn rentals, services and supplies He added that the company is rather than sales of equipment.

This caution, and the perform-ance of the tyre and related The group's overall second products division in the second quarter, are consistent with the comment by Mr. John D. Ong. for the six months to June 30. Goodrich's president, in Decem-The profit outlook for the ber last year. that the company would start to feel the impac of the general slow-down in U.S. economic growth in May, 1979

trend towards leases rather than

outright purchases of computer

eoulpment, and pointed out that

almost half of the company's

total revenues already represent

standards.

high that a single manufacturer can be unwilling or unable to undertake the research programmes alone.

motive research. Recently, it tween General Motors and will consult GM for engineering advice and buy some prototype emission control

also agreed to support a

# FT INTERNATIONAL BOND SERVICE

### **GRT** files for protection

exists. For further details of these or other bonds see the complete list of Eurobond prices published oo the second Monday of each month. Closing prices on July 15 SUNNYVALE - GRT Corporation has filed for protection from lts creditors under with those of the first quarter. The company earned \$26m from continuing operations. in the first quarter, which was the first period to reflect the December merger of LTV and Lykes Corporation.

In the second quarter last year, LTV reported earnings from continuing operations of \$26.9m. LTV made its comments at a

The company said steel ship-

net profit was \$41m, up from . ties transactions.

It expects its aerospace and benefit

from the meat and food operations of Wilson Foods, which reported an operating loss for the first quarter.

The shipping operations of

LTV sees good second quarter ter results at the end of this -Lykes. Bros. Steamship, how ing, primarlly ments should remain strong increased fuel costs and the through July and Angust, expense of starting up the line's

from the consolidation

operations to contribute to materials as a result of the second quarter results are expected. It also anticipates benefits

ever, continue to be disappoint because... of

energy products and service of facilities, personnel, and raw

### Pittsburgh works Reuter

Midland-Ross ahead of target

CLEVELAND - Midland. For the first six months, net company earned a record 531m Ross Corporation is doing better earnings at \$21m are 44 per or \$2.71 a share on sales of Ross Corporation is doing better earnings at \$21m and Tript. \$578.7m. than it expected a few months cent up, with earnings B share \$578.7m. ago, and "the outlook is very at \$1.81 against \$1.28. Sales The projected 1979 profit gain strong " in all its major markets, bave gained 31 per cent to does not include any royalty

although there are some signs new operations from the West of a weakening in the marker Coast. heginning in September. The company continues to

meeting with analysts here. It expects to report second quar-

**Companies and Markets** 

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### NORTH AMERICAN NEWS

\$2.31bn. supplies of hydrocarbons and

OUTINE Second Monday of each month.         U.S. OILLAR       Change on         STRAIGHTS       Issued       Bid Offer day week Yield         Alex Howden XV 99, 91       30       B34, 994, $-04, -04, 10, 16$ Alex Howden XV 99, 91       30       B34, 994, $004, -04, 10, 12$ Eaver Int. F. XW 74, 89       200       833, 944, $004, -04, 0.97$ Circa 91, 84, 99       50       984, 984, $004, 0.9, 0.72$ Eaver Int. F. XW 74, 89       200       834, 944, $004, 0.9, 0.72$ Canade 94, 98       30       984, 984, $-04, -04, 0.86$ Canade 94, 98       30       984, 994, $-04, -04, 0.86$ Canade 94, 98, $-104, -11, 0.07$ Carner Hewiey 54, 86       50       977, 977, $-04, -04, 0.36$ Connatco Inv. C. 104, 91       400, 994, 994, $-04, -04, 0.36$ 20         Contacto Inv. C. 104, 91       400, 974, 974, $-04, -04, 0.36$ 218         Contacto Inv. C. 104, 91       100, 1005, $0 -04, -04, 0.36$ 218         E18 94, 86       150       974, 974, $-04, -04, 0.36$ E18 10 99       150       1004, 1004, $004, 0.36$ Expert 0v. Cpn. 98, 84       100       974, 974, $-04, -04, 0.36$ Expert 0v. Cpn. 98, 84       100       974, 974, $-04, -04, 0.36$ </th <th>Closing prices on July 1s Change an Nordic 1. 8k, 9 84 SOR 20. 96 97 0 +09, 9.95 Avco Fin. 109, 86 CS 25 96, 87, <math>-04</math>, <math>+04</math>, 10.98 Ex. 0.64, Con. 10 94 CS 50 99 9912 <math>-04</math>, <math>-04</math>, 10.18 Fs1. Can. inv. 10 84 CS 50 995 9912 <math>-04</math>, <math>-04</math>, 10.12 Fs1. Can. inv. 10 84 CS 50 995 9912 <math>-04</math>, <math>-04</math>, 10.13 Fs1. Can. inv. 10 84 CS 50 995 9912 <math>-04</math>, <math>-04</math>, 10.32 Hudson Bay 104, 85 CS 50 975, 977, <math>-04</math>, <math>-07</math>, 10.74 R. 8k. Canada 10 86 CS 25 975, 977, <math>-04</math>, <math>-07</math>, 10.74 R. 8k. Canada 10 86 CS 40 995, 1003, <math>0</math> <math>-04</math>, <math>-04</math>, 10.48 Copenhagen 84, S1 EUA 25 971, 984, <math>-04</math>, <math>-04</math>, 8.95 Komm. Inst. 77, 93 EUA 15 944, 955, <math>+04</math>, <math>+05</math>, 8.08 SOFTE 84, 89 EUA 40 955, 977, <math>-04</math>, <math>-07</math>, 8.83 Algemene 8k, 64, 83, FI 75 914, 964, <math>+04</math>, 8.91 CFE Mexico 74, 83 FI 75 914, 964, <math>+04</math>, 8.91 Nerway 84, 84 FI 75 914, 964, <math>+04</math>, 8.91 Nerway 84, 84 FI 75 914, 964, <math>+04</math>, 8.91 Nerway 84, 84 FF 100 977, 977, <math>+04</math>, <math>+04</math>, 8.91 Nerway 84, 84 FF 200 90 91 0 <math>-2</math> 11.43 EIF Acuiteine 93, 85 FFr 150 90 91 0 <math>-2</math> 11.45 EUration 94, 87 FFr 100 90 91 0 <math>-2</math> 11.45 Euration 94, 87 FFr 100 90 91 0 <math>-74</math>, 11.37 PSA Peugeet 93, 87 FFr 130 90 91 0 <math>-74</math>, 11.37 PSA Peugeet 93, 87 FFr 130 90 91 <math>-04</math>, <math>-17</math>, 11.65 Total 0il 34, 97 FFr 100 93 91 <math>-04</math>, <math>-17</math>, 11.65 Total 0il 34, 97 FFr 100 93 91 <math>-04</math>, <math>-17</math>, 11.65 Total 0il 34, 97 FFr 100 90 91 <math>-04</math>, <math>-17</math>, 11.65 Total 0il 34, 97 FFr 100 90 91 <math>-04</math>, <math>-17</math>, 11.65 Total 0il 34, 97 FFr 100 93 90 <math>-04</math>, <math>-17</math>, 11.65 Total 0il 34, 97 FFr 25 955, 964, <math>+04</math>, <math>-04</math>, 12.27 Fin. lor lnd. 12-89 F 90 91 <math>-04</math>, <math>-17</math>, 11.65 Finse lor lnd. 13 91 C 15 1033, 1044, <math>-04</math>, 404, 12.27 Fin. lor lnd. 12-89 F 90 91 11 1011, <math>+04</math>, 11.38 FIS Amod 087 04, 987, 997, 917, 917, 911, 11 113 8NOE 8 89 94, 957, 953, 954, <math>-04</math>, <math>04</math>, 8.38 Solvay Fin. 8 85 LuxFr 500 954, 957, 917, 911, 911, 911, 94 Banco Aron 087 04, 987, 987, 987, 917, 911, 11 113 8NOE 8 89 94, 987, 987, 917, 911, 11 113</th> <th>poration has filed for protec- tion from its creditors under Chapter 11 of the bankrupicy laws. The company said that it has reached agreement in principle with the Bank of America NT and SA, its major secured creditor, to provide continued funding. GRT's subsidiary. GRT of Canada, is not affected by the Chapter 11 filing, and will continue to be operated as a separate entity, GRT said. The agreement in principle with the bank requires a for- mal agreement and approval of the hankrupter court. The company said that it plans to continue as a supplier of custom - manufactured tapes and records from its two plants in Sunnyvale and Nashville. GRT also said that Mr. Robert D. Jacobs bad been appointed president and chief executive officer with imme- diate effect. It was announced earlier this month that Mr. Gordon Edwards, who held the offices of president and chief operat- ing officer, had left the com- nany.</th> <th>than it expected a few months ago, and "the outlook is very strong" in all its major markets, according to Mr. Harry J. Bolwell, the chalrman The company bas reported a 44 per cent rise to \$11.6m in net earnings for the second quarter, with the per sbare total np from 71 cents to \$1.01. At \$192.8m, sales showed a rise of 27 per cent. <b>RESULTS IN BRIEF</b> <b>Belden move</b> NEW YORK—Net income of the electric wire cable yanu- facturer Belden Corporation for the first half of the current financial year advanced from \$4.1m or \$2.01 a share to \$5.9m or \$2.86 a share, on sales ahead from \$117.9m to \$144.7m. The company plans to double its capital expenditure budget this year to some \$10m.</th> <th>"We now expect sales and earnings to be up more like 30 per cent for the full year," said Mr. Bolwell. In late March, the expectation had been that earn- ings were likely, to be up by about 20 per cent. For the whole of 1978 the S1.60, Marriott Corporation, food services, 76 cents against 55 cents. Colt Industries, steel, engineering, aerospace and arms, \$4.40 against \$3, Com- munications Satellite, worldwide communications, \$2.61 against \$1.94, and VF Corporation, \$1.50 against \$1.37. For the nine months period, Parker Drilling turned in earn- ings of \$2.10 a share compared with \$1.98, while the soya pro- cessing and feed concern.</th> <th>\$578.7m<sup>3</sup> The projected 1979 profit gain does not include, any royalty income from the company's patents on a process to purify iron ore pellets using natural gas. In 1978, royalties, from those patents totalled \$5.4m amounting after taxes to 30 cents a share</th>	Closing prices on July 1s Change an Nordic 1. 8k, 9 84 SOR 20. 96 97 0 +09, 9.95 Avco Fin. 109, 86 CS 25 96, 87, $-04$ , $+04$ , 10.98 Ex. 0.64, Con. 10 94 CS 50 99 9912 $-04$ , $-04$ , 10.18 Fs1. Can. inv. 10 84 CS 50 995 9912 $-04$ , $-04$ , 10.12 Fs1. Can. inv. 10 84 CS 50 995 9912 $-04$ , $-04$ , 10.13 Fs1. Can. inv. 10 84 CS 50 995 9912 $-04$ , $-04$ , 10.32 Hudson Bay 104, 85 CS 50 975, 977, $-04$ , $-07$ , 10.74 R. 8k. Canada 10 86 CS 25 975, 977, $-04$ , $-07$ , 10.74 R. 8k. Canada 10 86 CS 40 995, 1003, $0$ $-04$ , $-04$ , 10.48 Copenhagen 84, S1 EUA 25 971, 984, $-04$ , $-04$ , 8.95 Komm. Inst. 77, 93 EUA 15 944, 955, $+04$ , $+05$ , 8.08 SOFTE 84, 89 EUA 40 955, 977, $-04$ , $-07$ , 8.83 Algemene 8k, 64, 83, FI 75 914, 964, $+04$ , 8.91 CFE Mexico 74, 83 FI 75 914, 964, $+04$ , 8.91 Nerway 84, 84 FI 75 914, 964, $+04$ , 8.91 Nerway 84, 84 FI 75 914, 964, $+04$ , 8.91 Nerway 84, 84 FF 100 977, 977, $+04$ , $+04$ , 8.91 Nerway 84, 84 FF 200 90 91 0 $-2$ 11.43 EIF Acuiteine 93, 85 FFr 150 90 91 0 $-2$ 11.45 EUration 94, 87 FFr 100 90 91 0 $-2$ 11.45 Euration 94, 87 FFr 100 90 91 0 $-74$ , 11.37 PSA Peugeet 93, 87 FFr 130 90 91 0 $-74$ , 11.37 PSA Peugeet 93, 87 FFr 130 90 91 $-04$ , $-17$ , 11.65 Total 0il 34, 97 FFr 100 93 91 $-04$ , $-17$ , 11.65 Total 0il 34, 97 FFr 100 93 91 $-04$ , $-17$ , 11.65 Total 0il 34, 97 FFr 100 90 91 $-04$ , $-17$ , 11.65 Total 0il 34, 97 FFr 100 90 91 $-04$ , $-17$ , 11.65 Total 0il 34, 97 FFr 100 93 90 $-04$ , $-17$ , 11.65 Total 0il 34, 97 FFr 25 955, 964, $+04$ , $-04$ , 12.27 Fin. lor lnd. 12-89 F 90 91 $-04$ , $-17$ , 11.65 Finse lor lnd. 13 91 C 15 1033, 1044, $-04$ , 404, 12.27 Fin. lor lnd. 12-89 F 90 91 11 1011, $+04$ , 11.38 FIS Amod 087 04, 987, 997, 917, 917, 911, 11 113 8NOE 8 89 94, 957, 953, 954, $-04$ , $04$ , 8.38 Solvay Fin. 8 85 LuxFr 500 954, 957, 917, 911, 911, 911, 94 Banco Aron 087 04, 987, 987, 987, 917, 911, 11 113 8NOE 8 89 94, 987, 987, 917, 911, 11 113	poration has filed for protec- tion from its creditors under Chapter 11 of the bankrupicy laws. The company said that it has reached agreement in principle with the Bank of America NT and SA, its major secured creditor, to provide continued funding. GRT's subsidiary. GRT of Canada, is not affected by the Chapter 11 filing, and will continue to be operated as a separate entity, GRT said. The agreement in principle with the bank requires a for- mal agreement and approval of the hankrupter court. The company said that it plans to continue as a supplier of custom - manufactured tapes and records from its two plants in Sunnyvale and Nashville. GRT also said that Mr. Robert D. Jacobs bad been appointed president and chief executive officer with imme- diate effect. It was announced earlier this month that Mr. Gordon Edwards, who held the offices of president and chief operat- ing officer, had left the com- nany.	than it expected a few months ago, and "the outlook is very strong" in all its major markets, according to Mr. Harry J. Bolwell, the chalrman The company bas reported a 44 per cent rise to \$11.6m in net earnings for the second quarter, with the per sbare total np from 71 cents to \$1.01. At \$192.8m, sales showed a rise of 27 per cent. <b>RESULTS IN BRIEF</b> <b>Belden move</b> NEW YORK—Net income of the electric wire cable yanu- facturer Belden Corporation for the first half of the current financial year advanced from \$4.1m or \$2.01 a share to \$5.9m or \$2.86 a share, on sales ahead from \$117.9m to \$144.7m. The company plans to double its capital expenditure budget this year to some \$10m.	"We now expect sales and earnings to be up more like 30 per cent for the full year," said Mr. Bolwell. In late March, the expectation had been that earn- ings were likely, to be up by about 20 per cent. For the whole of 1978 the S1.60, Marriott Corporation, food services, 76 cents against 55 cents. Colt Industries, steel, engineering, aerospace and arms, \$4.40 against \$3, Com- munications Satellite, worldwide communications, \$2.61 against \$1.94, and VF Corporation, \$1.50 against \$1.37. For the nine months period, Parker Drilling turned in earn- ings of \$2.10 a share compared with \$1.98, while the soya pro- cessing and feed concern.	\$578.7m <sup>3</sup> The projected 1979 profit gain does not include, any royalty income from the company's patents on a process to purify iron ore pellets using natural gas. In 1978, royalties, from those patents totalled \$5.4m amounting after taxes to 30 cents a share
DEUTSCHE MARK Change on STRAIGHTS lasuad Rid Offer day week Yield	Creditanetoit 5-, 91 \$04, 985, 884, 14/8 104, 11,03	AMERICAN QUARTE	RLIES		
Argantina 71, 89       150       901, 901, 01, 01, 01, 01, 01, 01, 01, 01, 01,	Mirs. Hen. 0/5 5+ 94 $0^{-1}_{11}$ 384, 94 $0^{-1}_{12}$ 384, 883, 11/10       11.10       11.17         Nippon Credit 8k. 57, 85 $0^{-1}_{12}$ 394, 883, 11/10       11.11       11.17         Nippon Credit 8k. 57, 85 $0^{-1}_{12}$ 394, 883, 11/10       11.11       11.17         Nippon Credit 8k. 57, 85 $0^{-1}_{12}$ 394, 998, 12/11       107, 11.06         0K8 5 <sup>2</sup> _{12} 68 $0^{-1}_{12}$ 397, 994, 22/12       10.34       11.44         Privro Mexicano 7 84 $0^{-1}_{12}$ 397, 954, 22/12       11.26       12.06         Songenol 55, 88 $0^{-1}_{12}$ 397, 954, 22/12       11.28       11.20       11.25         Taxas Int. Airwave 7 86 $0^{-1}_{12}$ 397, 983, 24/7       11.35       11.35       11.35         Utd. Oversass 8k. 9 89 0 <sup>-1</sup> _{12} 974, 984, 4/10       11.96       11.27       17.4       11.35         Utd. Oversass 8k. 9 89 0 <sup>-1</sup> _{11} 97, 974, 984, 24/11       11.31       11.35       11.4       11.38         BONDS       date price       Bid Offer day Prom       A6A Atribolag 78, 8810/79       174       94'_{12} 95'_{14} 4.04       3.05         Coca-Cola Bottling 34       6779       532       944, 95'_{14} 4.04       3.05         Coca-Cola Bottling 34       6779       532       944, 95'_{13} 2.7	ALLEGHENY LUOLUM INDUSTRIES           Second quarter         1979         1978           Second quarter         395,8m 325,9m           Not profits         23 4m 11.3m           Net gor share         2.50         0.92           Six monthus         776.7m         665.6m           Net profits         42.5m         14.3m           Net profits         4.58         0.88           AMERICAN AIRLINES         Second quarter         1979           Second quarter         1979         1978           Second quarter         5         5           Second quarter         1979         1978	CRANE         Second quorter         1978         4978           Second quorter         1579         4978         5           Revenua         431.5m         322.7m           Net profits         18.4m         11.42m           Nat per share         1.64         1.11           Sbx months         745.1m         610.5m           Revenue         24.55m         16.56m           Nat per share         245         1.60           ETHYL CORPORATION         58         24.54m           Second quarter         1879         1978           Revenue         413.3m         364.0m           Nat profits         25.34m         21.34m           Net por oftae         23.3m         863.7m           Nat profits         78.3m         683.7m           Nat profits         2.32         1.88           GREAT PORTLAND         5         5           Second quarter         1979         1978           Nat profits         1.54         0.96           Six months         5         5           Revenue         11.54         0.96           Six months         118.7m         111.1m           Net profits	Net profits         85.5m         71.7m           Net ser enhore         1.18         0.98           Oix months         1.2b         949 8m           Revenue         12b         949 8m           Net per shore         2.59         2.08           LIDNE STAR INDUSTRIES         Second quarter         1979         1576           Revenue         195.8m         183.7m         1.04           Net per shore         195.8m         183.7m         1.04           St months         1.46         1.04         1.04           St months         24.65m         16.33m         0.80           Net per share         140         0.80         0.80           MEFRCK         5         5         3m	PENNWALT.           Second quarter         1979         1876           Revenue         270 2m         243 3m           Net second quarter         1879         1876           Net second quarter         1879         1876           Net second quarter         1879         138           Sig months         166         138           Sig months         28,56m         2422m           Nat pet shore         2,165         245           FFIZEN         2,165         245           Second quarter         1979         1978           Second quarter         57 Sm         54.6m           Nat pet shore         0.75         54.6m           Second quarter         1979         1978           Reveable         57.5m         54.6m           Nat pet shore         0.78         0.85           Sis months         1 3bn         1 1bn           Net petfils         138         7.3m           Nat petfils         14.7m         1378           Reventes         242.0m         1.55           Sis months         1.58         1.35           PULLMAN         2.77         1578           Sis months
SW182       FRANC       Change on         STRAIGHTS       tasued       Bid Offer day week Yield         Amer, Exp. Inl, 37, 93       40       923, 927, 404, -05, 4.14         Assen Oev. Benk 37, 94       100       1854, 851, 404, 404, 4.93         Austria 5, 89       60       102, 103, 405, 405, 405, 4.33         Austria 38, 93       100       907, 913, 405, 405, 4.63         Austria 38, 93       100       907, 913, 405, 405, 4.20         Breet 45, 88       93       350       957, 957, 404, 404, 4.20         Breet 45, 88       100       937, 937, 87, 405, 4.12       6.20         Council el Eur. 45, 90       100       947, 937, 847, 404, 41, 4.84       700         Council el Eur. 45, 90       100       917, 937, 947, 404, 41, 4.84       700         Council el Eur. 45, 90       100       917, 937, 947, 404, 41, 5.03       701, 511, 4.36         Marco 42, 89       35       937, 937, 940, 41, 5.03       702, 513       704, 403, 4.31         Ock 33, 91       100       152       91, 404, 403, 4.02       714, 404, 403, 4.02         Prand Ost Lande 490       60       945, 944, -03, 4.03       714, 404, 403, 4.03         Prand Ost Lande 490       60       945, 944, -04, 4.03       75         Stewec	<ul> <li>Sharp Con. 31, 88 OM 2/79 487 35% 85% -11, 10.59</li> <li>Stanley Elec. 31, 87 OM 4/79 476 851, 85% -0% 50.87</li> <li>Tokyo Elec. 31, 87 OM 4/79 476 851, 85% -0% 35.88</li> <li>Tokyu Ld. Cp. 4 86 OM 4/79 483 1222, 8312 +0% 29.41</li> <li>Trio-Knwd. 31, 86 OM11/78 711 78% 78% 0 47.88</li> <li>* Ne information swellable—previous day's price. 1 Only and market maker supplied a price.</li> <li>Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions at currancy units escept for Yan bands where it is in. billions. Change on week=Change ever price a week earlier.</li> <li>Flooting Rate Notes: One maintoid in dollars unless ether- wiss indicated. Coupon chown is minimum. C.do=Oste sis-month offered rate († throe-menth) lor U.S. dollars. C.con=The current coupon. C.yid=The current yield.</li> <li>Convortible bonds: Oenomineted in dellers unless other- wiss indicated. Cng. dey=Change on dey. Cnv. date=</li> <li>First dats for conversion into sheres. Cnv. price = Nommal smount of bond per ehere expressed in currency of shore at conversion rate fised at issue.</li> </ul>	Second quarter         1979         1978           Revenue         5         \$           Net orofits         17.1 m         14.26m           Net orofits         17.1 m         14.26m           Net per share         0.53         0.44           Bix months         503.3 m         423.4m           Net per share         114.26m         0.55           CIT FINANCIAL         114.0.95         0.57m           CIT FINANCIAL         5         5           Net per share         3.03         1.06           Net per share         3.03         1.06           Six menths         90.01m         38.14m           Net per share         4.33         1.94           CONGOLEUM         5         5           Revenue         1879         1978           Net profits         161.6m         155.1m           Net profits         161.6m         155.1m           Net piolits         120         1.00           Six months         120         1.00           Six months         120         1.00	S S Revenue	S         S           Net profits         103.2m           Net profits         103.2m           Stc months         103.2m           Revenue         1.37           Stc months         1.37           Revenue         1.37           Net par share         2.57           National         1.37           Becond quarter         1.37           Star months         2.57           Revenue         2.57           NATIONAL GYPSUM           Becond quarter         1.779           Star months           Revenue         282.6m           National         1.47           Star months           Revenue         480.0m           Star months           Revenue         480.0m           NORTHROP           Second quarter         5           Revenue         413.1m           NORTHROP           Second quarter         5.5m           Revenue         413.1m           Not prefits         1.73           Star months         4.78           Revenue         43.1m           Star months         3.78           Revenue	SECURITY_PACIFIC           Second utrarter         1978           Nat. profiles         41.02-m           Nat. profiles         1.49           Ner paritie         30.08m           Net paritie         30.08m           Net paritie         30.08m           StarthikLinke         2.52           Second quarter         1375           StarthikLinke         51.87m           Second quarter         3578           Net paritie         53.87m           Net paritie         53.87m           Start profits         0.89           Start profits         1.75           Net paritier         1.75           1.75         1.7           U.S. TRUST NEY         1978

99.8m 83.2m 1.10 \$ 41.02m 33.75m 1.49 ----1.32 Net profite Net per shere So, months 55.8m 57.2m 2,08 20.08m 53.6m 2.49 Ner paults .... SMITHIKLINE 1978 Second quar 1978 1978 310.8m \*287.8m 53.87m 36:37m Net per share Six footba 0 89 2.8m 7.0m 1.65 624.9m 512.8m Revenue Nationolita 70:47m 1 17 1.75 Net per sharo 1978 \$ 3.0m 1.5m 1 52 21 S TRUST NEY Second of 7978 5 64m 0.68 Net Det 8 17.3r 0.9m 2,50

MEDIUM-TERM FINANCING

Czechostovakia raises \$200m Euroloan

By John Evans

THE Czechoslovakian Foreign Trade Bank is raising \$200m or the medium term Enrocurrence markets through a banking group led by First Chicago Ltd The 10, year credit will carry a margin of 1 per cent for the first five years, and 1 for the remaining five years. The gract period is seven years. First Chicago is now formin

a management group for the credit. This is believed to be there first Czech state Euromarkei 'depub' financing to be arranged by a U.S. bank Elsewhere, a U.S. miclear financing is being arranged on the Euromarkets UNC Resources Incorporated as tapped the markets for a Salum Side Se

revolving credit facility which revolving crean facility parent will be guaranteed by the parent company, United Nuclear Chr poration The three year medit cardes a spiced of V per cent It has been ennaged by Credity Suize Wirst Boston and Chase

.01

0.86 4.54m Merchant-Banking Group · Star Con

### Financial Times Thursday July 19, 1979 CORDANIES

# **INTNTL. COMPANIES and FINANCE**

# ELF AQUITAINE DIVERSIFICATION

# **Major flotation for Paris bourse**

### BY TERRY DODSWORTH IN PARIS

Treple

1025

Sen ,

Toh<sub>ge</sub>

ant Markets

nationalised off company, will cent) ensure sanon's position in produce a large, new quoted pharmaceuticals Galor (100 per company on the Paris (Sock cent) is one of its main vehicles Exchange before the year is out. In cosmetics, the other being - The new company, Sanon, is Yves Rocher, still its private the result of only seven years' control, and imaffected by the work, but it will emerge as the merger or floatations. In third largest pharmaceuticals addition, the group has small group and the second largest interests in veherinary and bosmatics company in France other chamical products. cosmetics company in France. It is not yet clear how much of the Sanof sumity is to be floated, but the company will to give a new thrust to the have, a market expitalisation company's growth, particularly first will place it among the top poverseas. By merging the dif-20 listings in France. The main vehicle in Sanoff's growth since it was established in 1973 has been takeovers. Ir now controis three companies, which will be brought together. with the parent in a share exchange deal at the same time resources of the Bourse. as the floatation,

s the floatation. Of floate three, Labaz (of able. Consolidated figures show

BY RUPERT CORNWELL IN MILAN

PIRELLI, the Italian tyre and

table group, is expecting ipproval within the next few days from the Industry Ministry

for its capital restructuring plan, involving the support of f consortium of major banks.

This will form part of a major

recovery programme, centred on a two-stage capital increase by the group's manufacturing arm industrie Pirelli from the

Under the second stage the

consortium, to be headed by Mediobanca will put up 140bn. This stake will be repurchased

by Pirelli after five years, by

which time it is hoped its

proupled tyre division will be

back in balance.

Societe

Generale to

By Our Financial Staff

will at

of 1979.

hold payment

present L78bn in L163bn.

THE DIVERSIFICATION policy which Sanon Holds 78.6 per turnover rising from FFr 1.5bn of Elf Aquitaine, the French cent) and Partor (58.8 per (\$341m) in 1976 to FFr 1.9bn nationalised oil company, will cent) ensure Sanon's position in in 1977 and FFr 2.5bn last year. In the first half of this year, sales were up by 24 per cent to FFr 1.5bn. Profits, while not reflecting a bigh rate of return, have also grown rapidly th reach about FFr 90m (\$20.5m) last year. The labour force now stands at 10,700. other chemical products. With the re-organisation, the Sanofi management is hoping

In order to maintain this velocity of expansion, Sanofi now needs to develop its overseas position. Sales abroad amounted in 38 per cent of the total (FFr 947m) last year, but it believes that the future in ferent enterprises; there will be the possibility of further both the pharmaceutical and economies of scale and rationalisation. At the same time, the group will be able to draw on the financial cosmetics sectors lies in becoming even more of an international company. For example. although third in the pharma-ceutical rankings in France, after Rhone-Poulenc and Roussel Uclaf, Sanofi bas only

Corporation for \$58m.

In the last week, moreover,

sortium to improve Libya's tele-phone network. CEAT, the second-ranking Italian tyre group, and Telettra, a Fiat sub-

ITALIAN Treasury Minister

Filippo Maria Pandolfi has

called upon the Government to finance fresh injections of capital to aid state-owned banks.

He aaid banks in the south of

Italy particularly need recapiti-

sidiary are also involved.

the group has whn a major precedent, share in a \$500bn contract. The Se awarded to an Italian con-mittee is a

Sanofi's growth during the

**Approval expected for Pirelli plan** 

the bolding company by Sig the purchase by Pirelli Cable several Filiberto Pittini its managing Corporation of the U.S. of the credit in director. He also disclosed that cable activities of General Cable Mobilian

Thus, the company is aiming to put the main bulk of its investment in the next three years into countries outside France. The larger part of this effort will go into pharmacenticals, which currently account for about 45 per cent of group turnover. In cosmetics, where it is number two in the home market after l'Oreal, it is relatively well-based outside France.

The Senate Finance Com-mittee is currently considering a Bill to provide L300hn nf new

capital in 1979-80 to four state-

owned banks in the south. Thay

are Banco di Napoli, Banco di Sicilia, Banco di Sardegna, and

of the bank rescue consortium.

On the pharmaceutical side, Sanofi. argues that it is the breadth of international coverage which brings in the financial returns. This industry remains highly specialised. Indivdual laboratores establish a leadership in the treatment of particular maladies, but bave no products in other areas. Thus, they need a wide market spread, in order to pull in the profits essential for developing the abont 3 per cent of the market. next generation of drugs.

The company's current strength abroad lies in the traditional Common Market area. Germany accounts for almost one-quarter of its overseas sales, the Low Countries for 17 per cent, and Italy for 9 per cent. Only 7 per cent of its foreign sales are in North America and 4 per cent in the UK It is expected, therefore, that

the main thrust nf Sanofi's growth will be directed towards the U.S., now the object of attention from many of the larger French companies. Like these other groups, Sanofi has no illusions about the difficulties of breaking into America, particularly in pharmaceuticals. where the official testing and licensing system is severe. But by extending its capital base. the company will be taking the first important step towards this objective.

600

500

400

308 ·

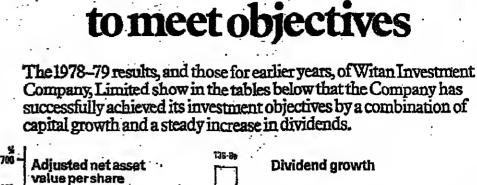
200

# Siemens bid for Arnould

#### Corporation of the U.S. of the credit institutes, such as Istituto cable activities of General Cable Mobiliare Italiano (IMI) have opposed By David White in Paris already increased their capital so such operations have a clear

PLANS BY Slemens of West Germany to take a balf-stake in a French electrical fittings company are being challenged in a bid to impose a "French solu-

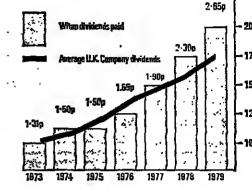
tion" which would protect other local interests in the field. The company involved, Arnould-FAE, is a loss-making subsidiary of the CGE electri-cal group. CGE reached a preliminary agreement with Sie-mens in May for the West German group to take 50 per cent of Arnould-FAE's nominal FFr 35.35m (\$8.3m) capital, subject to approval by the French authorities. This approval has so far not been forthcoming, while two other French Merlin-Gerin,



87.70

MATAN

1978/79 results continue



as such companies became more highly rated in the market place, of capital gain also?

### Worldwide investment

Of the Company's £158m assets at 30th April 1979, £84m was invested in the UK, £27m in North America,  $f_{22m}$  in the Pacific area,  $f_{2m}$  in other countries and  $f_{23m}$  was held in cash and other assets.

Copies of the Company's 1978-79 Report and Accounts may be obtained from: The Secretary, Witan Investment Company, Limited, II Austin Friars, London EC2N 2ED.

### Witan Investment Company, Limited

Member of The Association of Investment Trust Companies A member of the Henderson Administration. Management Group

### In his annual statement, Mr. I. R. Henderson, Chairman of Witan Investment Company, said: "the

-the benefits

ending of dividend restraint will result in a short-term increase in income; more importantly it could signify a return to the kind of market we knew in the 1960's when growth companies were able to increase dividends at a rapid rate, and the shareholders had the double benefit of rising income and,

1. S. S.

End of dividend restraint

back in balance. Details of the operation were working capital) from its pros-igreen at resterday's annual pering cable and other divi-meeting here of Pirelli SPA, sions. Sig. Pittini also confirmed (SiR). However, he noted treasury several months ago. groups -- first

# MAN forecasts sales upturn

### BY, OUR FINANCIAL STAFF

Pirelli lost L30bn (\$37m) on

Tihs year however tyre sales, were up in both volume and

value terms over the first six

months. Sig. Pittini predicted

a significant drop in losses for

Last year the deficit was largely masked by the proceeds

of L26bn from the sale of

Pirelli's famous skyscraper

Within the next six months

the group will carry out the split of its loss-making tyre divi-

sion (which will be the benefi-

its tyre activities in 1978.

1979.

beadquarters.

facturer, MAN, reports a modest rise in commercial vehicle sales for the year ended June, 1979, and forecasts a further increase SOCIETE Generale de Belgique least maintain its during the current 12 months. dividend during the current The group's track production year, according to an interim-statement that atherwise is expected to surpass DM Shn (\$1.65bn) this year. Herr. Wil-fred Lochte, board member, told a Press conference. Turn-over in the commercial vehicle stresses the mixed trading pattern of the first six months

Dividends- from the share sector for 1978-79 was about portfollo improved during the DM 3hn compared to DM 2.93bn export. ratio. The agreement between MAN STES which is the largest financial and industrial group in Belgium. sales, not including military contracts, rose by 22 per cent But rising interest rates have which was enough to compen-plainly been adding to the cost sate for a 15.9 per cent drop plainly been adding to the cost of debt servicing. -in exports and reduced military of debt servicing. Last year Societe Generale deliveries. Paid a dividend of BFr 140 a share from net profits which of GHH, delivered a total of deliveries of a new truck model were virtually unchanged at 21,379 commercial vehicles in after the Frankfurt Interna-BFr 1.18bn (\$39.4m).

WEST GERMAN truck mann- the year earlier. The category to deliver 15,000 units to West European customers in the next is subdivided into trucks, with 18,896 units produced to record two to three years to produce a 2.5 per cent increase, and buses, with 2,483 units produced a sales turnover of DM 350m to DM 400m.

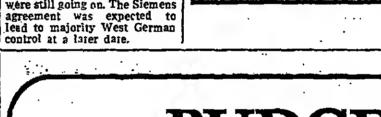
SIR rescue.

to register a 12.3 per cent dealing. Experits during the year accounted for 40 per cent of total commercial vehicle THE SUPERVISORY board of Continental Gummi-Werke has approved the company's deciproducting, a fall of 45 per cent slon to acquire the European from 1977-78. MAN aims in tyre production and sales operations of Uniroyal Inc. of the near term for a 50 per cent

the U.S. Under the agreement, Conti-Gumm Uniroyal tyre factories in

Credito Industriale Sardo. Most of the funds would finance the In a related development, SIR chairman Nino Rovelli has announced his intentions to endorse the formal establishment

part of the Empain-Schneider empire, and more recently Legrand, a leading company in the electrical fittings sectorhave mounted counter-hids. CGE said that decision was expected shortly. Negotiations with Legrand on financial terms were still going on. The Siemens agreement was expected to lead to majority West German





29

- 225

and Volkswagen for joint development, assembly and distribution of trucks in the sixto-nine metric-ton category has required capital investments by

Beigium. West Germany, France and the U.K., a tyre cord plant Luxembourg. and Uniroyal's in entire European tyre sales and distribution system in Europe. Both companies will be represented at a Press Conference in Hannover today to announce further details of the deal.

# Sharp advance for Austrian oil group

#### BY PAUL LENDVAL IN VIENNA

cent bonus in addition to an unchanged dividend of 12 per cent on its Sch 1.5bn basic capital. Net profit last year was onethird higher than in 1977 and bank Wien. The change of name reached Sch 240m (\$18m). is regarded as an indication of Turnover last year was op (er- the more international nature cluding mineral oil tax) by 10 per cent in Sch 26.7bn and investments totalled Sch 4.5bn, against Sch 2.7bn in the pre-

vious year, Announcing details of the report, Mr. Ludwig Bauer, director-general, stressed that what he called "nnrmal supply". with petroleum products was assured for this year, but this does not include the possible effects of hearding. The company, he said, is keening as im- end of June. Since last must terested in increasing gas im- end of June. Since last must ports, primarily from the Soviet June, however, there is a re-ports, primarily from the Soviet June, however, there is a re-newed trend towards increasing the bound that a new newed trend towards increasing cubic metres of natural gas to said.

the annual imports as of 1985, "In the longer term the - The Austrian brewery indus- satisfactory. Orders in band in increasing total gas imports changes in the structure of try, however, is concerned Austria are equivalent to a from the Soviet Union to 5bn credits and deposits confirm the about the declining consump- whole year's turniover while cubic metres per annum. As of transformation of the savings tion levels. Consumption per foreign orders are worth 1984, Austria will also receive bank and house bank of the capita fell from 103 litres in Sch 800m.

Ages

AUSTRIA'S LARGEST savings of the commercial and personal bank, Zentralsparkasse, has decided to change its name to Zentralsparkasse und Kommerz-

loans rose from 52 per cent to 61 per cent of the total while during the same period the share of the business in the structure of deposits also rose from 36 per cent to 48 per cent.

BRAU AG, the largest Austrian possible by the new banking law which came into force brewery is maintaing its diviaw which came into inter-earlier this year. Turning to the 1979 half year result. Dr. Alfons Haiden, deputy director general, revealed that the consolidated halance sheet rose by 11.2 per cent in Sch S4.2hn. Due to the changes in the interest paid on dend for last year at 10 per cent. Business operations last year were nvershadowed by the problems involved in the takeover of the Brauerei Schwechat by the company. Through the merger, the balance sheet in-creased by 60 per cent to Sch 2.3bn. Effective December changes in the interest paid on ridinary savings deposits, the share of savings deposits fell from 57 per cent at the end of last year to 52 per cent by the 1978, the basic paid up capital was increased from Sch 297m to Sch 392m. Turnaver last year jumped from Sch 1.59bn to Sch 2.46bn. Through the merger

OEMV, THE Anstrian state oil 2bn enbic metres of natural gas Vienna municipality into a 1977 to 101 litres last year. corporation, is paying a 4 per from Algeria. \* \* \* 1970 and June, 1979, the share also contributed to industry pressures. Total brewery output in Austria was down by 1.7 per cent and production of Bran AG also showed a decline from 3.2m bectolitres to 3.01m hectolitres during the period.

Steirer Brau, another Aus-trian brewery with a 30 per cent market share is cutting its dividend by 1 per cent to 9 per cent for 1973. Turnover was down by 1.6 per cent to Sch 1.29bn while output fell by 0.6 per cent to 1.88m hectolitres last year.

UNIVERSALE. the Austrian building company, has an-nounced an unchanged dividend of 7 per cent and a 4 per cent bonus for last year. On the in creased capital of Sch 130m, np by Sch 15m, turnover increased by Sch 282m to Sch 2.85bn. In real terms, however, sales were the Brau AG increased its only up by 6 per cent and earn-- The Austrian brewery indus- satisfactory. Orders in band in

### -- NEW DIRECTIONS FOR THE BRITISH **ECONOMY** Dorchester Hotel, London 23 & 24 July, 1979

The Rt. Hon. Sir Geoffrey Howe QC, MP, Chancellor of the Exchequer, will give a keynote address at this Financial Times Conference to be arranged in London on July 23 & 24, 1979.

An authoritative panel of speakers will analyse the 1979 Finance Bill and assess the economic policies of the Thatcher administration.

Speakers will include:-

The Rt. Hon. Denis W. Healey MBE, MP, Former Chancellor of the Exchequer

Mr. T. Jackson, **General Secretary** Union of Post Office Workers

Sir John Hedley Greenborough KBE, President, **Confederation of British Industry** 

For full details of the conference programme please complete and return the coupon

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A rusuit with the		below.
	Weekly net asset value on July 16, 1979 Tokyo Pacific Holdings N.V. U.S. \$66.81	BUDGET 1979 To: The Financial Times Limited, Conference Organisation, Bracken House, 10 Cannon Street, London, EC4P 4BY.
The Republic of Panama U.S. \$50,000,000	Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$48.68 Listed on the Amsterdam Stock Exchange	Tel: 01-236 4382. Telex: 27847 FTCONF G Please send me further details of BUDGET 1979 CONFERENCE
Floating Rate Serial Notes due 1991	intermetion: Planco, Heldring & Pierson HV Haraparacht 214;	Name Title
For the six months 19th July, 1979 to 21st January, 1980		Elock Capitals P
In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 11; per cent, per amount, and that the interest has been fixed at 11; per cent, per amount, and that the interest	YONTOBEL EUROBOND INDICES	Address Tel:
January, 1980 against Compon No. 1 will be U.S. \$594.17 The Industrial Eank of Japan, Limited	PRICE INDEX 10.7.79 17.1.78 - AVERAGE YIELD 10.7.79 17.7.79 DM Bands 99.88 99.89 DM Bands 7.336 7.337 HFL Bands & Notas 95.70 95.72 HFL Bands & Notas 9.178 9.186 U.S. S Str. Bands 96.45 96.29 U.S. S Str. Bands 95.23 9.553 Can. Onlar Bands 97.48 97.52 Can Dellar Bands 9.995 9.389	A FINANCIAL TIMES CONFERENCE

#### 30

Companies and Markets INTERNATIONAL COMPANIES and FINANCE

### Revised ATL unit sale ratified By John Rogers in Sydney

AN EXTRAORDINARY meeting of the Australian totalisator group, ATL yesterday ratified the sale of the group's U.S. subsidiary for US\$ 17m-or US\$ 1m more than the original deal, after intervention by the group's biggest sbareholder Smorgon Corporation,

Smorgon voted with the night. Board to sell Autotote to an American consortium operating uoder the oame of Federal Computer Corporation. Agreed Japanese banks have been " too terms ware US\$ 12m in cash aod | eager " in increasing the foreign US\$ 5m in convertible notes, redeemable in instalments of USS 500,000 after June 1982. hank loans denominated in FCC now plaos to rename the foreign currencies were worth company Autotote Systems Inc. \$25.1bn at the end of June comand to float stock oo an over-the-counter basis. pared with only \$7.7bn at the end of 1977.

repay its borrowings, most of MOF would limit Japadese typically for periods of 15 which fail due before the end of banks to less than a 25 per cent months. The Ministry proposes participation in internationally to meet this situation by regu-bolders yesterday, the Board syndicated loans in which they was adamant that the U.S. sale are oot lead managers (while the company from breaching its cent or more of Japanese-trust deed.

# Japan studies new bank guides on foreign lending

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

A SERIES of guidelines for informal guideline set 30 per ting a relationship between the A SERIES of genderines for informal guidenite set so per ong a readousing between the foreign currency lending by cent as the limit for participa-Japanese banks bas been "sug- tion in internationally syndi-gested as basis for discussion" cated loans. Another area which the MOF by the Ministry of Finance, a

senior MOF official revealed last is anxious to see regulated more guidelines are The not portion of their assets in recent

months. Outstanding Japanese with loog term borrowiog, definthat whereas long term loans long term foreign currency bor-One of the most important The deal enables the ailing Australian electronics group to repay its borrowings, most of MOF would limit Japanese

SUDENE

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country risk lending limits.

MOF officials discussed the closely is the relationship problem of regulating foreign between long term lending and funding in foreign currencies. A currency lending in two meetings with Japanese banks, one guidelioe which is currently in force calls on Japanese banks in June with managing directors of the international finance sec to fund 60 per ceot of their long tions of the City banks and subterm foreign currency loans sequently at its regular "secood Wednesday" meeting with bank ing "long term" to mean periods officials. Further talks are due of over one year. The MOF is to take place over the next few concerned, however, by the fact weeks to decide bow the new guidelines should be imple may extend up to 15 years, the mented. The MOF says that it rowing by Japanese banks is typically for periods of 15 months. The Ministry proposes is well aware of the concern of the monetary authorities of other countries about the recent evolution of the Eurodollar market. Its proposed guidelings are designed to ensure that Japanese banks "contribute to the healthy development of the market.

Earnings improve at **Rembrandt Group** 

At the attributable level

shortage, may well be expanded

at a cost of anything up to R25m With all divisions now openat

ing at optimum efficiencies, pro fits on an uptrend and benefit

from the recent controlled ste

### BY JIM JONES IN JOHANNESBURG

PRELIMINARY RESULTS from remained virtually unchange the Rembrandt Group indicate at R17.6m. a substantial second-half earnafter deducting operating reings improvement, despite the sults of former subsidiaries sold effects of the war for the South during the year, net income improved by 19.8 per cent from African beer market share with South African Breweries. R78m to R93.4m Despite strong growth

Though the group-which apart from its tobacco interests. cernings per share, excluding retentions by associates, to 95. bas expansionary plans in the cents against 83.8 cents, Rem brandt has adopted a conserva beer and liquor markets-has oot announced preliminary turnover figures, consolidated pretive attitude towards dividends tax income for the year to The total payont was lifted from 22.5 cents to 25.5 cents. Rembrandt Controlling An vestments, which owns 51 per March 31, 1979, advanced by 17.3 per cent from R102.4m to R120.0m (\$142m) after a marginal rise from R33m to R33.8m cent of the underlying Rem in the first half.

brandt Group equity, repoised an attributable earnings ; per share advance from 61.8 cents Tax allowances, associated with the subsidiary Intercon-tioental Breweries' R16m brewto 70.2 cents. Its total dividend ing capacity expansion, meant payout was lifted to 18.7 cents that the year's tax charge from 18.5 cents.

# **Dunswart confident**

BY OUR JOHANNESBURG CORRESPONDENT

DUNSWART the South African present national scrap, iroo and steel producer which is 46.6 per cent owned by the General Mining and Finance Group, has reported a R3.2m (US\$3.8m) operating profit for. the six months to June 30, 1979, compared with R2.3m in the pravious first half, and R5.5m for the whole of 1978. Mr. Ken Brightman, the man-

aging director, is confideot that further growth will take place rowings. in the current second half, but much of this projection is based on the growth of local iron and steel demand as export prospects dim in the face of the world economic slowdown. According to Mr. Brightman, exports are income likely to absorb at most 12 per cent of total production, compared with abont 30 per cent in 1978. Dunswart's heavy replacement capital expenditure programme is almost complete, with only a

# for the whole of 1978, suppor spent on pollution control 22 cents earnings for the full equipment. However, depending year—which could signal a on domestic demand, the com- resumption of dividends this pany's sponge iron plant, which year after a three-year mora-provides some immunity to the torium.

### **Diversification moves** pay off for Amatil BY OUR SYDNEY CORRESPONDENT

DIVERSIFICATION into Aus some growth is expected. Nevertralia's rural industry bas theless the interim dividend has rewarded Amatil, one of been raised from 8, cents to Australia's tobacco and soft 9 cents a share, which is more drink glants, which bas achieved than twice covered by earnings ao increase in profit of 13.6 per per share of 23 cents—up from cent. belped by the country's 20 cents.

Financial Times Thursday July 19 1979

#### LEGAL NOTICES ART GALLERIES

Official Receiver and Provisional Liquidator.

THE COMPANIES ACT. 1948

In the Matter of PARWAY LAN

iovestment and development. Winding op Order made 44ch May 1973. Dan and pisces af first martings: Creatings The August 1979, at Roota 238, Templa House, 81 High Holborn, London WCH, MDP at 11.00 of clocks. Contributeries jun, the same day, and at the same place at 11.30 of clock.

L R. BATES

stal Receiv

Provisional Liquidator.

IN THE MATTER OF

THE COMPANIES ACT. 1848

IN THE MATTER O

E IS HEREBY GAVEN puri 299 of the Companies Act

**PUBLIC NOTICES** 

CITY OF LIVERPOOL SILLS

VERAL MEETING OF the

CITE OF BATH C.275m 91 day blus base 1879 to 17m October 1975

A COUNTY CO

LONDON BEROUCH OF REL BILLS mamming to \$1,000,000 m to 1510 October 1939 wire to 1700 109 1579 wire to 1700 109 1579 at to scum rate of 1540525 ge

52,000,000 BUIS Insued atore 18.10.79 at a rate otal, applications, were 515 re 57.5m, outstanding Built

RENEREW DISTRICT COUNCIL BILLS

WALSALL METBOPOLITAN BORDHIGH BILLS 100,000 Bills issued 18th Dug 17th October 1979

ALLEN & GREAVES LIMITED

THE COMPANIES ACT. 1945 In the Matter of LEMON & White (SOUTHERN) LIMITED, Jornarding and reinsport agaras. Wioding-up, Order made\_2nd\_April 1973. Deter and place of first meetungs: Creditoris 1st August 1979. et Boom 239. Templar House. At High Helborn, London WCIV, 6LP. At 3.00 o'clock: Constitutorias on the sume day sod at the same place at 3.30 o'clock. L R HATES. Outcal Receiver and GAILERY, 43, Old Bond St. W.1 a176. Exhlbition of OLD MASTER INGS. Until 27 July. Mon.-Fri INGS. Until 27 July. GNEW GALLERY, 43, Old-Bond SL, W. 1 01-625 6176. PERSIAN MINIATURES

BROD GALLERY, 24. St. Janis's St. SW1 01-839 3871 Paintings by TAN BRUEGHEL THE ELDER, HOL 20th Jan, Weeksays 10-6. Sata. 10-1

TROWSE & DARSY LTD. 19. Cork St. W.1. KEITH GRANT-RECENT PAINT-INGS "A WINTER JOURNEY." FIELOBOURNE GALLERIES, 63, OUSEN Grove, N.W.S. 588 3600, RODME' SURN, R.A. Eightieth. Birthday: Eonbin Jorn, I., GALLERY, Comemouran Arthus of the English School; FINE ART SOCIETY, 148, New Bond St. W1. 01-629 5118, SUMMER EXHED TION and WORKS UNDER \$500.

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Brutoti 1572. UMLEY CAZALET, 24 Davies St. 03-498 4058. Akira Kurosaki-woodcottings. Until 27. July.

MALL CALLERIES. The Mail, S.W.I. Watercolours by George Allscow. Mon. Fri. 10-5. Sats. 10-1. Until July 30. Adm. tree. MALL CALLERIES. The Mail. S.W.T. Society of Women Artists. 117th Exhibi-tion. Daily (Inc. Surs.) 10-5. Unit-ion. Daily (Inc. Surs.) 10-5.

MARLEOROUGH: 8. Albertainta St., W.1 EGON SCHIELE. Exhibition of water colours and drawings outfil 31 August Mon.-Fri. 10-5.20. Sat. -10-12.30.

OMELL CALLERIES, 22. Bary Street, S Jamas's, S.W.I. Joth CENTULY, ENG ISM AND CONTINENTAL OR FAINT HNGS, Our current stock comprises own in a hundred selected works with price inom E400 to 510.000.-Witte now incom E400 to 510.000.-Witte now incom E400 to 510.000.-Witte now incom E400 to 510.000.-XWITE now income Constant State Income Constant State Mentary copy of our SUMMER CATA LOGUE.

Charles GALLERIES. 40. Aformarie SL-Piccadilly. W.1. New selection of the modern French Dalotions. Including Manchard Cherlours. Deschamos. Dellin. Grosot. Harve Jacob. Posset: Robin, etc. Grosot. Harve Jacob. Posset: Robin, etc.

price increase yet to be full felt, Johannesburg, marke SABIN CALLERIES C. Cork-Street, WA 01-734 6186. EXHIBITION OF ENGLIS-FAINTINGS 1811-1830. Monday-Friday 5:30-5.30. analysts feel that the company

iclans, glamorous hostesses, excitor shows, 188, Resent St. 734 082

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WORSHIPFUL COMPANY DF. GOLD SMITTHS announce "LOOT, 73" every-thing for sale up to £100 and a maw section "Superiods" £500 aod over, Exhibition opeu, 10,155,00 Mon.Sal 9th-2eth July, 1975, Goldsmith's Hall, Foster Lane, £C.2., Tube St. Paul's, Admission free Section of Specie

### TRAVEL GENEVA, Baste, Zu Tange of these bistes from 4 UK-s ports brochurg CPT, LTD, 01-351-244 Teler, 919076. ATQL: 3898,

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cred

should have little difficulty financing any further capital spending from additional bor WAODINGTON GALLERIES: 'JA.' Cort Street, W.1, 439 1866. PATRICK CAUL FIELD — Recent Paintings. 30th June 28th Juny. Daily. 10-5.30. -Sats. 10-1 Dunswart borrowed heavily to fund replacement of its out dated facilities, resulting in interest payments absorbing WADDINGTON GALLERIES, 31. Cori Street, W.1. 438 1886. HENRY MOORE Drawings and Watercolours 1927-59. 3rd Joly-28th July. Daily 10-5.30. Sats. 10-1. some 40 per cent of operating Short term dividend distribu-tions will be restricted by the need for retaining profit to repay CLUBS debt. However, first half earn ings per sbare of 11 cents com-pared with 2.5 cents in last year's first balf and 8.9 cents

### EXHIBITIONS

and the state of the second



Friendly and efficient service in a dynamic economy is

vision. The vigor that has made it one of lapan's tastest

SAITAMA BANK

# Tinamaal Tripes Thursday July 19 1979

# Companies CURRENCIES, MONEY and GOLD

# Dollar weak despite help

A Concerted effort by several heid at noon and in the morn-central basis failed to arrest a inc to finish docknessed from general decline in the dollar transday at 72.1 resteriar, atthough it inlathed on or around its best level for the day. This sills represented a fairly sharp fill from Theadey. DM 15130 This was fired at fairly sharp fill from Theadey. DM 15130 This was depite in-threaders and the Swiss from the Dimark, and was fired at the Dimark and the Swiss National Bank helped the dollar recover from its lower levels against the Dimark it touched DM 1.5070, compared with Thes-day's close of DM 15325 in the Swiss Tranc it tall to Swiss Tranc it tall to Swiss Tranc it failed to pull back against the phanese sum with the latter probably filled to pull back against the Dimark is lower to the straine was further stace-baled by the Bindeshak's relation was further stace-baled by the Bindeshak's contineed to improve against trade wathing figures, is trade wathing figures.

81.C 1.

£16].

rency fell to Y215.60 from ing. The D-mark fell to Y216.30 previously. On Bank of Sugland figures, its prade weighted index was down S1.6 from S3.9. Starling opened at \$2,2850 and dipped to \$2,2825. Defore rising strangly to \$2,2955. However, profit taking and central bank intervention saw file rate fail back to \$2,2890 around noon During the strength of the factors behind back to \$2,2890 around noon During the afternoon the pound eased further to \$2,2740, possibly affected by further measures de-signed to ease exchange controls, but buying interest developed in New York later in the day and sterling bounced back to close at \$2,2770-2,2780, a rise of 65 points from Tuesday.

Sterling's initial improvement TOKYO-The dollar fall was slowly eroded during the against the Japanese yen to close afternoon and it finished slightly weaker against 50m5 European currencies. This was reflected in in trade weighted index which Y218.30 hut then eased came back from a level of 72.3, during the rest of the day.

oceo as one of the factors behind

the franc's firmer trend MILAN—The lirs rose sharply against the collier but lost ground against sterling. The U.S. currency fell to LS1170 against L817.20 on Tuesday while sterling reached an all time high at L1.856.8 compared with L1.845.40.

at .Y215.775 from Y216.80 on Tuesday After opening Y216.20, the U.S. nuit touche Y218.30 but then eased back

### EMS EUROPEAN CURRENCY UNIT RATES

	And the second
	Currency % change
•	ECU amounts from 4 champer
	Central against ECU central edjusted for Disergance
. •	rates July 18 rate divergence fimit %
	Beigian Franc
۰.	Usriah Krans 7,08592 7,27027 +2.60 +1.36 ±1.635
	Germen D-Mark: 2.51064 2.53126 +0.80 -0.43 ±1.1825
	-Franch Franc 5,79831 5,89482 - +1.88 +0.41 . ±1.35
. '	Outch Gnilder
5	Trish Punt 0.662638 0.671544 +1.34 +0.09 +1.865
	Italian Lira
•	

# Changes are for ECU, therefore positive change denoties a weak burrency....Adjustment calculated by Financial Times.

### EXCHANGE CROSS RATES

	July 18 ::	Poundstarling	. U.S. Dollar	Deutschem"k	Iney as negat	FranchFranc	Swise Franc	Dutch Gulid'r	Hallan Lira	Canada Dollar	Belgian Franc
-	Pound Sterling	0.439	- 2 278	4.118 1.808	986.5 \$13.5	9.575 4.204	0,710 1,630	4.515	1841. 911.9	2.651 1.164	65,65 28,83
-	Deutschemark Japanese Yen T.000	0.943	0.553	8.464	118.8 1000.	2 095 19,66	0.902	1.097 9,281	449.1 3801.	0.644 0.448	15.94 134.9
	French Franc 18	1.044	.8.579 0.613	4,300	= 508.1 131.0	10. 2.679	3.877	4,715	1931. 498.0	2.768 0.714	68.55 17.68
	Dutch Guilder Italian Lira 1.000	0.221 0.542	0.504	0.912'	107.8	2.121 5 178	0.622 2.008	2.442	409.5	.0.587 1.430	14.54 35.51
5	Canadian Dollar	- 0.377 1.598	D:859	1.553	183.6	3,515 14.58	1.401 5.655	1.703	097.0 2810	4.037	24.77 100.

EURO-CURRENCY INTEREST RATES

The following nominal states wars quoted for London dollar cartificates of daposite" one month 10.55-10.65 per cent: three menths 10.55-10.75 per cent; al

THE DOUND	I CDAT		デヘカいいんわた
THE POUND	1 3rui	AND	FURWARD

July 18	Day's Spread	Close	One month	% p.s.	Three. menths	% p.a.
U.S.	2.2740-2.2955	2.2770-2.2780	0.80-0.70c pm	3.24	1.90-1.80 p	m 2.67
Canede	2.6495=2.6670	2,6500-2.6510	0.72-0.62c pm	3.03	1,92-1.82 p	m 2.82
<ul> <li>Nothind.</li> </ul>	4.51-4.56	4,51-4,52	21-11-c pm	4:32	54-41, pm	4.21
Selgium	65,60-66,15	65.60-66.70	12-2c pm		35-25 pm	1.83
Öänmerk	11.79-11.89	11.79%-11.80%	1ª-tors dis		24-44 dis	-1.27
Ireland	1.0895-1.0925	1.0905-1.0915	30-40a dis		87-97 dis	-3.37
W. Ger.	4.11-4.14	4.1T1-4.121	S1-21 pf pm		81-71 pm	7.65
Portugal	109.75-110.95	109.75-110.00	30-90c dia	- 6 55	80-180 dis	-4.37
Spagn	160.25-151,15	750.25-150.35	100-139c dis		270-370 dis	-8.51
Italy	1,848-1,854	1,848 - 1,849 -	1-23'z lire dia		5-9 dis	-1.62
Norway	11.42-11.52	11.42-11.43	5-3ore pm		13 <sup>1</sup> , 11 <sup>1</sup> , pn	
France	9.57-5.54	9.57-9.58	21-11c pm	7 67	64-54 pm	2.40
Sweden	8.54 9.63	9.55-9.56	2 - sore pm	2 10	5'4-3's pm	. 1.80
Jepan	485-435	485-487	4.20-3.90y pm	210	10,40-10.10	. 1,80
Austria	30,15-30.35	20.18-30.23	92-10 and and	3.33		
Swjtz.	3.70-3.73	3.704-3.71%	22-12gro pm	0,/9	55-45 pm	6,63
		3.104-3./14	4 <sup>1</sup> 3 <sup>1</sup> -c pm	12.53	125-115 pt	n 12.79

12.93 123-115 pm 12.7 Belgian rate le far convertible france. Financial franc 69.00-69.10c pm pm; 12-month 4,70-4.6Ce pm,

### THE DOLLAR SPOT AND FORWARD

_						
July 18	Day's spread	Close	One month	% p.a.	Three months	ي: د.و
UKt	2.2740-2.2955	2.2770-2.2790	0.80-0,70c pm	3.95	1.50-1.60 pm	3.2
- treiendt	2,0858-2,0925	2.0650-2.0900	1.30-1.10c pm	6.90	3.30-3.10 pm	5.1
Canada		85.91-85.94	0.07-0.05c pm	6.84	0.09-0.05 pm	0.3
Nethind.		1.9800-1.9620	0.22-0.15c pm	1.12	0.62-0.53 pm	1.70
Belgium	28.72-28.83	28.51-28.83	3-Sc die	1.67	9-12 dis	-1.4
Denmed	k 5.1725-5.1800	5,1785-5,1800	1.25-1.75ore dis		5.50-5.00dia	-44
W. Gar.	1.8015-1.8060	1.8050-1.8060	0.74-0,84p1 pm	4.59	2.19-2.08 pm	4.7
Portuge	48.23-48.40	48.30-48.40	35-45c dis	-0.93	90-130 dis	~9.10
9pein	66.00-66.07	65.00-65.03	100-130= dis			-14.8
Italy .	811.40-812.25	811.40-811.80	3.26-4.00		9.50-10.50db	-6.5
Norwey		0.0160-5.0170	0.50ors pm-per		7.50-1.00 pm	
Frence	4.1965-4.2050	4.2025-4.2050	0.20-0.30c dis		0.85-1.05dia	
Frence Sweden Japan	4,1915-4,1950	4.1540-4.1950	0.30-0.50ore die		1,15-1,35dis	
Japan	213.30-213.90	213.30-213.50	1.20-1.05y.pm	5.33	2.85-2.70 pm	6.20
Austrie	19.231-13.25%		4.00-3.50gro pm		12.00-10.500	
Switz.	1.8216-1.8278	1.8260-1.6270	1.33-1.28c pm		4.00-3.95 pm	
1111 L	minad and Co-		d in 11 5 another		Comment and	

#### CURRENCY MOVEMENTS CURRENCY RATES

			, ,			
July 17			European Currency Unit	July 16	Bank of England Index	Morgan Guarant Changes
terling	94	1.30562	0.510297	Sterling, U.S. dollar Canadian dollar	72.1 83.0 80.0	33.4 0.7 19.0
Selgian F Selgian F		17.3876	15.5455 40.4715	Austrian schilijng Beigian franc Danish kroner	148.1 114.7	+19.0 +14.0 +8.1
) mark Vilder		2.60406	2.52755 2.77985 5.89419	Deutscha Mark Swiss franc Guildar	159.4	+42.5 +83.1 +18.7
ina	104	1007.02 283.058	1139.10 501.715 7.02283	French franc		-7.8 -48.9 +ā1.3
Bpanish Pes. Bwadish Kr Swiss Fr	9		00.0901	Based on trade wa Washington agreed (Bank of England	mant Dece	mber, 19

### OTHER MARKETS

July 19	` £	<b>.</b>		Note Rates
Argontina Peso	3063-3083	1335 13	55 Austria	29.5-30.5
Australia Dollar	2.0140-2.016	0.8840.0.	.8860 Belgium	68.75.69.7
Brazil Cruzeire	-58.99-50.99	20.00 26	.35 .0enmark	) 11.70-11.83
Finland Markka	9.705-8.715	5.8120.3.	8140 France	9.45-9.60
Greak Orachma.	82.112-84.07	5 35.05-06	.90 Germany	4.05-4.15
Hang Kong Dollar		5.1940.5.	1070 Haly	1,830-1,850
Iran Riol	165.55-17240	219.75		
Kuwait Dinar (KD			2747 Notherlands	
Luxembourg Fre.	65.60.65.70	28.91.29	.93 Norway	11.30-11.50
Malaysia Dollar			1385 Portugal	105-110
New Zezland Dir.	2,2915.9.997	5 0.0755-0.	9780 Spain	147-151
Saudi Arab. Riyal	7.59.7.09	6.3405.3	3510 Switzarland	3.65-3.75
Singapore Dallar.	4.8520.4.853	0 0 1370 9	1085 United States	
Sth. African Rand	1.02 1.00	0.8430.0	8475 Yugaslavla	48.45

Rate niven far Argentina is free rate.

GOLD

()ver

\$300

C	ontinued dynamic growth
••••••••••••••••••••••••••••••••••••••	and unrelenting efforts
	for further progress

1978 was another outstanding year for Daewoo. And unrelenting efforts for further progress as a truly international business concern continue.

### The year's highlights included

- Export sales up 95% to U\$705 million or 5.5% of Korea's total exports-Korea's most outstanding export group of 1978
- Net earnings of U\$18 million, up over 50% from 1977.

Wite ! au / UM

- Strengthening our position as leader in the technology-intensive industries with a successful transition towards heavy & chemical-oriented industries
- The integration of diversified industries as demonstrated by the smooth construction of thermal power units in Ulsan by member companies of Daewoo
- As a promoter of public welfare, undertaking the major responsibility of constructing Seoul's third and fourth subway lines

Fully aware of business's responsibility in shaping the quality of life for tomorrow's world, Daewoo is continuing and expanding its involvement in myriad fields and activities.

summary of the Daewoo and consolidated subsidia	na, co., Lia. aries.	
Year ended 31st December	1978	1977
	U\$000	U\$000
Net sales	1,187,820	620,348
Net earnings	17,951	11,851
Shareholders' equity	104,317	53,410
Total assets	1,254,482	. 670,047
Capital expenditures	207,146	49,355
Number of employees	58,374	36,223

The complete Audit Report by Peat, Marwick, Mitchell & Co. is available upon request from our Overseas Business Dept.

### DAEWOO INDUSTRIAL CO., LTD. and Consolidated Subsidiaries

Daewoo Center Bldg. 286 Yang-Dong, Jung-Gu, Seoul, Korea

Business segment: General trading, Textiles and general merchandise, Heavy industries, Construction and consulting, Shipbuilding.

1	July 18 Starling	U.S. Dollar	nadian ( Dollar (	outon Quilder	Swiss Franc	West Garman Mark	French Franc	Italian Lira	Asian, S	Japanese Yen
×.	Tshort term. 14. 7 days, notice. 14.	1031,1058 10	14-1114 14-1114 159-17	878-918 978-918 876-9	10-10 -1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	413 5 8,1-514 534-578	048-954 936-954 1054-11	17-20 1412-17 1412-1512	1012-105g 1018-10,4	2-3-4
्राच्या २ विक १९४४ - इ.स. २	Months	10/a-101 10 10/a-101 10	68-11 58-11	914-9-5	173-2 275-275	6-1-6-8 6-1-6-8 076-7	11'2-11'e 11'8-12'e 11'8-12'e	15-16 104-101- 14-15	10-7-10-3 10-7-1078 1012-1058	514-559 512-514 614-614
1. A.		10, 10, 10, 10	4-105g :	9;6-0*8	-16 16.					

Long-term Eurodollar: two years 101-102, per cent: three years 101, 102, per cent: foar years 10-102, term rains are call for starting. U.S. dollars and Canadian dollars: two-day call for geilders five years 10-10% per

### INTERNATIONAL MONEY MARKET

# **Belgian** rates unchanged

were fett unchanged at yester. Unprovinent of the European Monetary day's weekly Board meeting of franc in the European Monetary the Belgium National Bank. The system. Deposit rates for the Belgian retrificate rates and four-month franc declined, with one-month hand fund paper earlier in the monoy at 12-121 per cent, com-week had led in some expec-bation of a further rise in the Discount or Lombard rates. These remain at 8 per cent and is month at 112-121 per cent. Discount or Lombard rates. These remain at 8 per cent and in European interest rates over the last few weeks. The money market money rising to 94 per cent from sources dn not rule out further weeks it was pointed out that comment, but money market weeks it was pointed out that comment but money market monoy rising to 94 per cent from sources dn not rule out further weeks it was pointed out that cent, siz-month fell to cent from 91-91 per cent in leave the rates in future comment, but money market monoy rising to 94 per cent from sources dn not rule out further weeks it was pointed out that cent, siz-month fell to cent from 91-91 per cent interest rate, rises in future weeks it was pointed out that cent, siz-month fell to sources dn not rule out further weeks it was pointed out that cent, siz-month was inchanged at 91-91 per cent from 91-10 per cent; and six-month to 91-10 per cent was inchanged at 91-91 per cent from 91-10 per cent; and six-month to 91-10 per cent weeks it was pointed out that the central bank muy have been per cent. Six-month was encouraged to leave the rates per cent. Six-month was

UK MONEY MARKET

# Full credit supply

Bank of England Minimum Leading Bate 14 per cent (since Jane 12, 1979)

Day-to-day credit was in good ments over revenue payments night loans opened at 131-134 supply in the London money to the Excepture. On the other per cent and ranged between 12-supply in the London money to the Excepture. On the other per cent and ranged between 12-narket, yesterday, and the hand there was a small net take authorities absorbed surplus up of Treasury bills in finance, before failing sharply to the late funds by selling a small amount and a small rise in the note cir-funds by selling to the discount culation. of Treasury bills to the discount culation.

Banks brought forward above target balances, and the market was size helped by a moderats surplus of Government disburseper cent for secured call loans in the early part with closing balances taken at 25 per cent. In the interbank market over

nominal in some cases.

LONDON MONEY RATES

July 18. Certificate Inters 1979 of deposit	Local ank Authority deposite	Local Auth. negotiable bonds	Finance House Deposits	Company market Deposits deposit	Treasury Bank	Fina Trada Bills <del>-</del>
1979 of daposit 2 days notice. 7 days or. 7 days notice. 7 days notice. 131-154 Two maths 131-154 13	338         1378-34           378         14.141s           378         1578-74           378         1578-74           4         1578-74           4         1578-74           58         108-1578           58         108-1578           212		1414 1414 1414 1414 1518 1518 1518	144 156-134	· I / I /	1438 1414 1413 1413

Local dethority and figures houses seven days' notice, others seven days fixed. • Long-terms as nonuclity, these years 12's per cant: four years 12's 12's per cant; five years 12's 12's per table are buying recent for prime paper. Buying rate for faur-months benk bills 13's per cant; as containing recent for prime paper.

142, per cent. Willing vite for one-month Trabsuly bills 137-137, per cent. Louis contracts bills and bill cents bills approximate selling vite for one-month Trabsuly bills 137-137, per cent. How months 137, per cent. How months 137, per cent. Approximate selling rates for one-month bank bills 137- cent cent two-months 137, per cent. Two-months 137, per

Belgium's key lending rates unchanged at present by the unchanged at 101-101 per cent, were left unchanged at yester, improvoment of the Belgian and 12-month at 101-11 per cent. day's weekly Board meeting of franc in the European Monetary FRANKFURT — Interbank

L152 132.41 L151.2-131.6	
Opening \$502-302-4 \$29519-29014	
E191./-182.1) E 190.8-181.62	
Marning \$503.85 \$296.50	
fixing(£109.570) 1£131.241)	
Afternoon \$302.150 \$295.30	
fixing (£139.145) (£130.580)	
Gold Coins, domestically	
Krugerrand, \$511-513 \$30719-30919	

Gold broke through the \$300 lovel in the Loodoo bullion market yosterday and finished at a record closing level of \$301-

a record closing level of soil an ounce. Aftor opening at \$302-3021, tho motal rose to an all timo high of \$3031-3041, just after the morolog fixing. Duriog the after-

Gold Bullion Ifine ounce

July 15 : July 17

New ::378-50 Soversions:(25434-3534) +2341e 0549 Ofd :3105 := 1074:3105.107-Soversigne:(25404-4714) (254514-4714)

Sovarsigns.(2504.57.41) (2503.57.14) Gold. Coins. Internationally Krugerrand.3511.315 (\$5071a.3091a /21361-157a) (£1351-166a) New (\$79.81 (\$73.54) Soversigns:(2644.3554) (£345-351a) Oid (\$1051a-1071s;\$105.107 Soversigns:(2462.471a) (£461a.471a) STO Tagles., \$2242.425 (\$442.426 \$10 Engles., \$2240.244 (\$239.12441; \$239.1244; \$249.124; \$

0000 however, gold eased a little, In Paris the 121 kilo bar was fixed at Fr 43,000 per kilo (\$318.51 per ounce) compared with a record Fr 43,300 (\$320.56) in the morning and Fr 42,250 (\$310,81) on Tuesday offernoon.

MONEY RATES

#### NEW YORK

Frime Rate ..... Fed Funds ..... Tressury Bills (13-week) ..... Tressury Bills (26-week) .....

#### GERMANY

Discount Rate ..... 4 95 6.05 070 7.20

### FRANCE

Oiscount Aste Overnight Rate One month Tarse-monthe 9.687 10 0525 10.6875 Six mor

**APAN** Discourt Rate 4.25 Call (Unconditional) 5.428 Bills Discourt (three-month) 5.378

 $\sim$ 

# **British Airports** Authority Annual Report.

BRITISH AIRPORTS 1978/79 Key figures from the Annual Report: Net Assets Total Income Pre-tax Profit Capital Expenditure	1978/79 £million 348.0 162.2 29.4 33.0	1977/78 £million 333.0 125.1 24.3 37.0 46.0
Foreign Currency Earnings	58.0	46.0

Points made by the Chairman, Norman Payne, include: Air traffic continued to grow. Passenger numbers at our seven airports increased by 14%.

Our financial results were adequate with a pre-tax profit increase to just over £29 million.

With the strong recovery of growth in 1978, it is now clear that Heathrow will be operating at maximum capacity in 1980.

Airline transfers from Heathrow to Gatwick are vital. The construction of Terminal Four at Heathrow now, and later Terminal Two at Gatwick, is essential to provide satisfactory airport facilities in the early 1980s.

A decision on the location of a third major airport must be taken in 1980.

If you would like a copy of the 1978/79 Annual Report, please write to The Librarian, British Airports Authority, 2 Buckingham Gate, London SWIE 6]L.

# Airports

Heathrow Gatwick Stansted Glasgow Edinburgh Prestwick Aberdeen

# WORLD STOCK MARKETS

Since Compility

18 1 1 1.22

(UMA) (2/102)

Low

12.25 1917(2) 1935(2)

orn.

High

279.64

172,60

5,75

Sines mpift

9,12

-8.69

1979

8.75

6.74

8.88

Lond Gov. Bond Yield



; s La L

of added inflationory pressure from a tax cul held out as an option for next year. A weak dollar and soaring gold prices added to the market'a wnes. The broad reireat carried Energy. Transportation, Utility, Auto. Steel. Chemical, Aircraft, Computer and Electronics, Elec-trical Equipment, Non-Ferrous Meial and Banking sbares lower. Gaming shares were among the most active losers. Volume leader Caesar's World slipped 1 to \$384 and Ramada Inns 1 to \$10. Studebaker-Worthington drop-ped 1; to \$383. Dresser Industries said it had held talks on huying talks with other possible buyers.

27: and Dentar 1 10 261. Volume was 191,346 shares compared with 293,205 tha day hefore.

In Torooto. the market lurned Japanese investors. lower in moderately active trading as the composite index public autoority issues gaiged dropped 11.9 to 1.549.0. Losses by up to 65 pfennigs in spite of

tyre interests. Dealers reported strong huying by foreign, particularly

Metal and Banking sbares lower. talks with other possible b	holding ing as the composite index public authority issues gained uyers. dropped 11.9 to 1.549.0. Losses by up to 65 pfennigs in spite July July July tock 17 16 Stock 17 18 Heck 17 16	dcalers awaiting reaction of the also firmed, led by Energy and hy New York stock market to the Gold stocks. Ceport that President Carter's Broken Bill Proprietary and Calumet had resigned. The market average fell 0.36 Humes lost 6 cents to A\$1.27.37	Ay: July July, July July 7 13 13 12 High 1-Low Rises 1,064 900 977 Falls 1,064 900 977 Falls 1,064 900 977 Falls 1,064 900 977
Albotts         Lab         Z313         Z353         Corning Glass	Menville         25         251a         Revion         4634         481a         Williems Go	to close at 6131.30 with the David Jones gained 2 cents 76 volume at 270m sbares. A\$1.29. The Tokyo stock exchange in- dex closed at 4938.70. Arabia 001 fell 110 to 4.090 Hong Kong	INTREAL July July July July July 17 36 18 19 High Low
Microfoldota	Alumini'm         181a         175a         Royel Dutch         705a         727a         Zonith Radio         125a         1	422 and Toyota Motor 4 to 846, interest in the market and 10	Industriol 252.87 251.47-289.45 260.88 273.18 (22)(5) 282.18 (21) Combined 283.09 257.75, 280.29 250.29 275.15 (22)(5) 355.47 (21) RONTO Composite 1560.6 1557.4 1555.7 1678.5 (20)(5) 1815.8 (21): HANKESBURG - 202.5 284.0 291.6 792.5 505.4 (25)(5) 285.6 (17)(5)
Allied Stores	icGee	but Sony and Matsnshifa Elec- tric recovered to close un said. changed at 1.850 and 632 respec tively after initial losses. Shipping lices and trading and B.K. Land hoth up 20 cents	Industrial 508.4 502.5 502.5 502.5 502.5 502.5 502.5 1.5727 525 July Pre- 1972 1979 19 vious High Low
Amor, Can; 4012 4012 Dover Corp'n	ray Trans. 2034 2051 SCM	bouses firmed towards the elose to HKS13.00 and HKS7.45 respect Austril Ninpon Yosen gaining 7 to tively, while H.K. Wharf rose 25 Bei 346. Mitsui 7 to 338 and Mitsu- 10 HKS32.75. Bei bishi 9 to 549. The second market closed Switzonlond	trella (1) 590.25 589.13 667.65 540.72 Spain (2) 31.75 99.96 11139 91.95 (19/3) 22/1) 21um (1) 185.57 107.16 109.00 95.80 Swedon 10 545.52 345.16 401.4 553.5 (670 - 165.57 107.16 109.00 95.80 Swedon 10 545.52 445.16 401.4 553.5 (670 - 165.57 107.16 109.00 95.80 Swedon 10 545.52 445.16 401.4 10 553.5 (670 - 165.57 107.16 109.00 95.80 Swedon 10 545.52 445.16 401.4 10 553.5 (100 - 105.57 107.16 109.00 10 10 10 10 10 10 10 10 10 10 10 10 1
Amer, HomeProd 23:s 23:3 E3gle-Picher 21:3 23:8 Andrew Amer, Medical 22 30 Eastern Airlines 7:3 7:3 Lockh Amor, Motora ; 5:12 6:12 Easterna Kodak 53:19 54:78 Lone S Amor, Nat, Res 45:4 43:14 Eaton	Alight for the second	signify higher with volume sm shares. Johannesburg volume, upderpinged by Hol	
Amotok,	Itan.         1776         1777 <t< th=""><th>scrive trading in line with and selective demand.</th><th>ng Kong bol an tor to root an estate i Switz Bank Corporation. Guaval (1020) (2/1) y (11) 78.96 78.87 80.03 88.98 obla</th></t<>	scrive trading in line with and selective demand.	ng Kong bol an tor to root an estate i Switz Bank Corporation. Guaval (1020) (2/1) y (11) 78.96 78.87 80.03 88.98 obla
LB.A	u Floid       17'8       10'2       Southdown	<ul> <li>are after withholding tax.</li> <li>I France. g Gross div. The Assemble.</li> <li>OM 50 donom, unless othorense dividend siter scrip end/or. Fights</li> <li>stated, violdo based on net dividends issue. k Alter local texas. In: W tax trees.</li> <li>In France including United trees otherwise a Share script. The dividend Stress and viol fight.</li> </ul>	dices ond base dates (all base IBA
Auto Oata Pro	W Hill.         25:8         243:8         Southland         28         28:1         Conn.co         39:2         30:2         Constain or stain         39:2         30:2         Costain         15:1	& DKr 100 denom, unless otherwise u Unofficial Irading, v Minority boldors beo stated. only, y Merger pending, * Asked, 1 40	onto 300-1,000: the last named RCA
Langor Punta 231; 274 F.M.G	Ing & Mig         531         54         Std.Oil California         3112         51.9         Denison Mines	GERMANY + TOKYO July 18 DM. 3 3 July 18 Yen - 1 3 3	July 18 - Aust. 3 - July 18 . Kronor - Kr. 3
30ct 'nDick'nson ă354 3314 Fuqua inds 114 114 Halco ( 30li & Howelt 1812 1878 G.A.F 1078 11 30ndix 38 38 Gannett	Shemicals         334         44         Sun Co	RHF.RANK	AGAAB (Kr. 40) 151 -1 6-3. Alfa Lavat(Kr. 30 118 6-3. Alfa Lavat(Kr. 30 118 6-3. ASEA(Kr. 301 - 88 -1 87 7.
oeing. 391a 4036 Gen. Dynamics. 3134 8174 HCR oise Cascade 3532 3539 Gen. Electrio 5039 5014 New Er orden 25 2538 Gen. Floeda 3114 3159 New Er org Warner 5114 3158 General Mills 2412 2459 Niagar ranifi Inti 1031 114 General Molora 5558 559 Hagar	at       4714       4837       Tektronix       525e       521.       Hollinger       42       421p         igland E.       221a       233       Tektronix       130 g       136       Home Dil A	Conti Gummi	Dol Patrolouiny, and 20 00 (10.81)         Carto
rrstol Myers 311, 32 rit. Pet ADR 263, 267, Gen. Signal 324, 361, Norlok rit. Pet ADR 263, 287, Gen. Tel. Elect. 381, 221, North rockway Giss. 155, 155, 259, Gen. Tire 281, 233, Nihn. S runswick 134, 137, Genesco 43, 44, Nihwei ucyrus Eric 25, 241, Genesco 35, 263, Hitwis urington Nihn. 571, 601, Genesco 35, 263, Hitwis	A West'n         284         Toxasgulf         251         253         Impenal Oll         351         351           Not. Gas.         481         Texas Eastern         614         514         Inco         217         22           Interserver         244         Texas Inst'n         614         514         Inco         217         22           Interserver         244         Texas Inst'n         614         914         455         Indel.         141         143           It Airliner         29         294         Texas Inst'n         495         455         Indel.         154         155         155         156         156         157	Deutsche Bank, 273.2 + 6.9 28,12 5.2 Komatsu 301	L National industries         11.75         Fagorita
Urrougn	dison., 1573 154 Trans	Harpener	South manual (1.10)         Tandath B(Cr50)         67.         40.51         5         7.           Iton Voited Brewers,         Tison         Voivo (Kr 50)         68          7         9.           Isila         Tison         Tison         7.0          7         9.           Isila         Tison         Tison         1.0          7         9.           Isila         Tison         Tison          7         9.
aterpiller Tract         531         5354         Graco W.R.         231         231         Owena           BS         505         51         Grt.Atian PacTeal         214         94         Pacific           BS         505         51         Grt.Atian PacTeal         214         94         Pacific           Blancsc Corpn.         444         Grt. North Iron         2514         2551         Pacific           antral & S.W.         13         13         Greynound         15         1453         Pac.Pc           ortaintcod         1718         1712         Gull & Western         1534         Pan Am	Illinois	Kaufnof         190.3         28         6.4         Nissan Motors         640         16         1.6         Corr           Klockner DM.199         71         +0.5          Pioneor         -10         48         1.3         Cont           KHD          Pioneor          Pioneor          10         48         1.3         Cont           KHD          9         Pioneor          336        8         18         1.7         Cont           Krupp DM.100         80         +2.5          Sekisul Prefab         669        2         30         2.2         Cont           Unde          288.2         +0.9         25         4.3         9         9         10         -30         20         .9         Dun           Lobrau DM.1001.430         +10         25         8.7         5         5         50          1.850          9         20         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0         2.0<	s. Goldfields Aust
nampion Inter. 24% 34% Hanno Mining	Iyinti	Lufthansa         82 al + 2.5         18.64         5.7         Taisho Marine         247         +3         11         2.2         End           M.A.H.         185         +1.5         21.88         5.9         Takedo Chem	cavour Resources         10.24         Banco Itau PN         1.31         0.058.1           Industries         73.40         Belgo Mfeira OP         1.70         0.180.084.1           Property Trust         -11.57         2.88         Loias Amer OP         2.10         0.050.9           Industries         -11.57         7.89         Petrobras PP         -1.43         0.169.0           Industries         -11.73         -0.05         Petrobras PP         -1.44         -0.010.087.1           Industries         -11.73         +0.05         Pirelfi OP         -1.44         +0.010.087.1           Industries         -1.25         -0.30         Souza Cruz OP         -1.4         +0.010.087.1
Broker         Brokrewer         Broker         Brok	Solution         944         24 se         Union Carbide         3878         39         QuebcoSturgeon         2.60         2.40           Elmor         2658         2714         Union Commorce         114         1214         Rangor Dil         28         2838           ano	RhenWestElcot         185.5 + 9.1         25         6.8         Toray         158         -9         10         3.1         Intra Suborn           Schoring         240         -2         28.12         5.9         Toshibe Corp         145         10         3.4         Jean           Siemons         250.2         + 3.5         35         4.8         Toyota Motor         846         -4         120         1.1         Juni           Sud Zucker         247         + 4         17.96         7.0         Source Nikka Sacurities, Tokyo         Jan	Copper         Cosper         Cosper<
Igato Palm 1359 1658 Hunt Ph.A. Chm 11378 1514 Phillip I Illins Alkmon 952 234 Hunt Ph.A. Chm 11378 1514 Phillip I Jumbic Gas 2939 299 1.G. Industrios, 2859 2858 Phillipu Jumbic Pict 2339 2176 IHA	Morris	VEBA         D34         4.0.8.18.12         0.1         BRUSSELS/LUXEMBOURG         Mathematical Mathmatexal Mathematical Mathmatexal Mathematical Mathmatica	Anner Minerals         to.15         MINES           Holdings         13.24         H0.32         July 18         Rend         + or           Holdings         11.56         -0.83         Angto Américan Cpn.         9.10         + 0.           Sandar Minerals         10.95         -0.03         Angto Américan Cpn.         9.10         + 0.           Sandar Minerals         10.95         -0.13         Gastrer Consolidated         3.20         - 0.13           Mater Minerals         10.95         -0.19         East Driefontein         14.80         - 0.1
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n Edison HY. 24 <sup>1</sup> / <sub>7</sub> 24 <sup>5</sup> / <sub>6</sub> Inco	1312         1514         WesternBancoro         5152         3178         Union Gas         1159         1159           Oats         23's         Western H.Amor, 3514         3314         Union Gas         1159         1159           Morican         1578         Western H.Amor, 3514         3314         Unidiscoe Mnas         104         1049           Innorcan         1578         Westorn Union         2038         2138         Walkor Hirzam         3218         3218           Innorcan         434         49         Watinghes Eloc         1934         80         West Ceast Trans         1442         1442           Innorcan         2518         2438         Weyorhaeuser         29         39         Weston (Geo.)         25         2545           Innorcan         2614         26578         Whitpool         21         21         21	Amrobik (FI.20). 39.7 + 1.1 123 T.2 Gevrart	Bits         Mail         Table         Tits         Filling         Deformation         8.00           Ints         Nat.         Tits         Filling         Deformation         8.23         +0.           Ints         Nat.         Filling         Deformation         8.23         +0.           Ints         Ho.70         Hilling         Stats         Gaduid         11.85         +0.           Nat.         Filling         Frain         Stats         Gaduid         30.50         +0.
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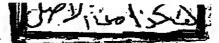
Tokyo
Share prices closed slightly lower in light trading with many
dealers awaiting reaction of the New York stock market to the ceport that President Carter's
Cabinet had resigned. The market average fell 0.36 to close at 61S1.30 with the
volume at 270m sbares. The Tokyo stock exchange in-

overseas price movements, and Central Norseman closed Ast

higher al AS34. In Melhourne, stock price

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Financial Times Thursday July 19 19/9



# FINANCIAL TIMES SURVEY

NORLD NUCLEAR INDUSTRIES

This Survey is published on the 25th anniversary of the creation of the UK Atomic

Energy Authority. It appears at a time when the world's leading industrial nations are

poised for momentous political decisions on the future progress of nuclear energy.

The survey has been written by David Fishlock, Science Editor.

Thursday July 19, 1979

# International co-operation the keynote

making the point recently that his Board wanted the decision to build his country's first nuclear power station to be seen unambiguously by the public as ; Government and not a public. a Government and not a public utility decision. Other electri-city undertakings may not be quite so frank about their intentions of letting the politicians shoulder responsibility for: one of their most important Nusiness decisions. But the nrincipal customers for nuclear power bave come a long way politically in the quarter-century since the British Gov-ernment launched the world's first nuclear power programme, net up a new agency called the UR Atomic Energy Authority as the repository of Britain's inclear expertise, and ordered State owned electricity the supply industry to get on with the job of making nuclear elec-

uneconomic new way of generat. ing electricity. They set to work fug technologies oil, stiersft, to tackle the problem of poor chemicals pharmacenticals, etc. economies by encouraging a rapid development in size from the 50 MW reactors of the

military, types. ... The first commercial reactors, found

Calder Hall and Chapelcross of the same (Magnor) type were under an increasingly restrict more than twice the size of tive regime, in which govern-

AN EXECUTIVE of Ireland's Calder's reactors; the last more Electricity Supply Board was than ten times the size How far they succeeded may be judged nuclear from the fact that 20 years after the decision to go nuclear the (then) chairman of the Central Electricity Generating Board dubbed those first generation molear stations the work-horses" of the world's biggest integrated electricity system By 1985 Britain expects to have about 11 per cent of its installed electrical capacity is nuclear plant, yet to be generating over 20 per cent of its electricity from nuclear fuel

The brief history of nuclear power is a story of parinerships, of close co-operation between numerous and diverse interests -scientific, engineering, com-mercial, political and national. To make a reactor perform at all, a greater diversity of technical skills than was ever needed before by any novel technology

Resentful in the mid-1950s the electricity many more resentful of a research centre to the political areas. Partnerships have grown far more complex. The multi-them an untried and clearly evolved to carry other advance evolved to carry other advanc-tag technologies off, streraft, -from nation to nation. was handicapped here.

Even firmly established multinationals such as U.S. General Electric - and Westinghouse themselves operating

ments were taking the key nuclear electricity (see accom-decisions. This has inhibited panying table). international links for manufacture and production, and left began in the 1950s as e means industry fragmented into rela-

tively fragile units in relation to the scale of investment and resources required. The strong and enduring reservoirs were full. By the partnerships have

tended to be between govero- dependent upon hydropower ments and agencies of govern- could import thermal power in ment. Increasingly, netions have united to tackle the biggest problems, in unions that range from two nations sharing the ontput from a nuclear station to the 108 nations which have signed the Non-Proliferation Treaty. A trend has been firmly

established of seeing nuclear energy as a truly international technology, crossing national boundaries as freely as airlines or telecommunication services. Exchanged

Electricity is alreedy exchanged freely between 24 countries in Europe, through no fewer than 130 cables. The agents range from the Stateowned utilities of Britain, Italy, etc., to the France, down. numerous private utilities of West Germany, But the inter-connections are established in every case with the backing of

governments. Even nations which themselves keep deferring decisions to install nuclear electricity capacity can take edvantage in this way of nuclear power. Denmark, for example, imports nuclear electricity from Sweden. Austria, which voted not to operate its first nuclear station, has numerous electrical ties with surrounding nations such as West Germany, Switzerland and Czechoslovakia-all growing increasingly dependent upon

Europe's electricity pool of conserving energy by selling surplus hydro-electric power

across frontiers, so preventing same token, nations heavily could import thermal power in times of drought. Today they trade over 5 per cent of total generating capacity.

The electricity pool developed into one which can exchange up to 55,000 MW—the total generating capecity of the CEGB, the largest system in Europe. By the end of the 1980s this figure could be as high as 90,000 MW, if all pro-jects and plans currently under discussion are carried out.

By then one of the main justifications for a closely interconnected electrical pool will be nnclear electricity. It will allow many nations to install nuclear electricity in bigger units than they could justify either in terms of national demand forecasts or in terms of the risk to supply of an unscheduled shut-

Ireland, for instance, has asked the British Government for a cable ecross the Irish Sea to back up its plans for its 600 MW nuclear station. If, as seems likely, nuclear power stations in Europe will eventually be clustered into "nuclear parks" of 3.000-5,000 MW or more, to minimise the number of sites needed, and perhaps co-located with fuel in an earlier attempt to tackle services to minimise move- the second problem. ments of nuclear fuel, mutual between national support

limited activity today because MW upwards). Czechoslovakia nations tend to retain their nuclear electricity, as It is the cheapest they can generatewill in time come to dominate designated technology, skills electricity transfers acroas end finance. Plants will be Europe. installed throughout Comecon Europe.

To the east of Europe a novel kind of nuclear collaboration was announced by the nations of Comecon at their 30th antiversary meeting in Moscow et the end of June. The USSR aod five of its neighbours have signed a "power pact" pooling their technology, skills and financial resources in order to expand Comecon's nuclear electricity capacity tenfold-to about 150,000 MW-over the next decade. The plan is to instal reactors of Russian design under e multinational industrial programme which will include the clustering of nuclear units

and large-scale transfers of power between nations.

Response

increasing dependence by its neighbours in East Europe on energy resources Russia has been bard-pressed to supply and

facturing nuclear. reactors, especially the pressurised water · elections)-there reactor (PWR). The USSR even set np a new Ministry for the manufacture of energy systems

Under the power pact, Russia will concentrate on the manuelectricity systems will grow facture of the larger sizes of been struggling with conspicu-rapidly in importance. "Atoms- reactor, both PWR (np to 1,000 ous lack of success to esteblish by wire " — internationally a MW); and pressure-tube (1,000 for more than two decades.

will concentrate on the manu-facture of a 440 MW PWR. Other countries will contribute to a programme-the Poles, for example, are scheduled to start installing their own first 440 MW PWR next year. In addition, there will be large nuclear stations built on Russian soil, the output of which will be shared by several nations. The 3,600 MW Khmeino station to be built in the Ukraine, for example, is being shared with Czechoslovakia, Hungary Poland, which together and are putting up half the cash.

How the Comecon nuclear plan is to be managed and supervised has not been disclosed. Bnt there can be no doubting the importance these nations attech to its success, as concerning the only technology developed to a stage where it is in a position to bridge part of the widening gulf between supply and demand of oil and gas

For the nations of the Westlong suspicious that part of their troubles with public opposition to nuclear energy is being fomented by finance from the East (West German organisations opposed to unclear power are said to have resources. serious difficulties in mann- out of all proportion to the number of votes they win in are clear warnings to be 1.- ded. One is thet with its Comecon power pact the USSR may have found the key to a truly international nuclear collaboration, of the kind the EEC (through its

Euratom nuclear agency) has GROWING WORLD DEPENDENCE ON NUCLEAR ELECTRICITY (% nuclear electricity) 197

Belgium		21	22.4	- 😳
Sweden		18	21.7	24.5
Switzerland		18	16-8	-
France		·	13.4	26
UK .		13	14.0	
West Germa	ny		11.0	-
U.S.			12.0	?
Bulgaria		·		20

Source: Atomic Industrial Forum (except for UK: Department of Energy estimates).

Another warning for the West, which has deliberately took key decisions on nuclear technology 25 years ago. Those striven to keep its nuclear indecisions are firmly vindicated.; Fears of the U.S. administration, dustry fragmented into national articulated units, is that a successful Comecon colleboration could put it in a very strong position to export reactors competitively, in particular reactors of a size thet will interest the developing world.

For the West, which largely through indecisive political leadership on nnclear matters during the 1970s has allowed public fears of nuclear electricity to grow to significant proportions, there can be no

organisational panacea until those fears are allayed. Here, bowever, much could be done collaboratively. For the

issue of nuclear proliferation the big political opportunity will arise early in 1980, when the 50-odd nations which have been participating in the International Nuclear Fuel Cycle Evaluation-the reappraisal of the whole proliferation issue proposed by President Carter at the London Summit two years ago-present their find-

The outcome of INFCE, the reports of which are already being collated in the U.S., is highly reassuring for those who

Carter, about reprocessing and the fast breeder reactor bave proved unfounded. British and French policy on plutonium and fast reactors bas won the day. But the exercise bas also alerted some nations to risks from nuclear proliferation they had been inclined to dismiss and for that reason at least must be counted a valuable collaboration. Safety

by

Presiden

Chancellor Schmidt in Mey, in the aftermath of the reactor accident on Three Mile Island, proposed that the issue of public safety of nuclear plants should be examined in much the same way, by interoational appraisal of the progress and pitfalls of

the past 25 years. As it has grown clearer how greatly exaggerated was the public perception of danger from this accident, the idea has been dropped. Instead, nuclear governments beve just epproved a modest increase in the work on reactor safety of the International Atomic Energy Agency.

Lenin blmself tanght the Russians the paramouot political importance of having control of electricity and its supply, The. Comecon plan is a response to two major problems the USSR has faced during the 1970s: an

Since it was set up twenty five years ago the United Kingdom Atomic Energy Authority has played a key role in the development of nuclear power in the UK. Today Britain generates 14% of its electricity from nuclear power.

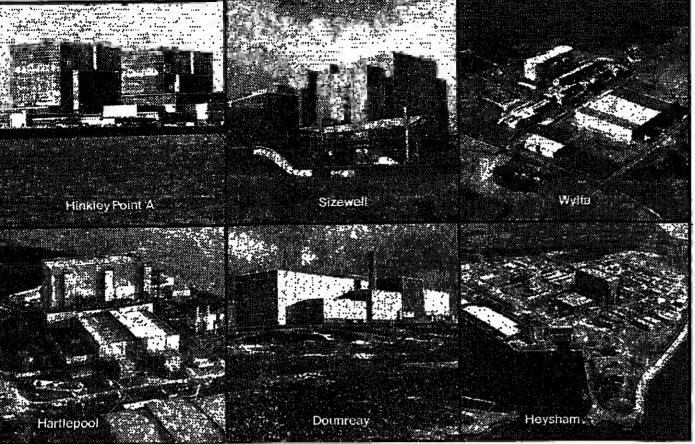
The UKAEA offers a wide range of services on a commercial basis to customers throughout the world. The services are backed by expertise in all aspects of nuclear power, by the facilities available at the Authority's research and development establishments and by experience in operating prototype thermal and fast reactors

# 25 years of achievement

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

Research and development for the nuclear industry 11 CHARLES II STREET LONDON SW1Y 4QP

# The way ahead with nuclear power.



It is now 25 years since Calder Hall was conceived and built and the UKAEA deserve our congratulations for their efforts and achievements in the peaceful development of nuclear power during that time.

31

Taylor Woodrow built Calder Hall, and has been a major force in the construction of six more nuclear power stations in the UK since Calder Hall.

Our work in the design of pre-stressed concrete pressure vessels has made us a world leader in this field, and we have applied much of the knowledge we've

gained from our nuclear energy work to the benefit of other large construction projects.

The past 25 years have not been without their trials and tribulations, but our country's future depends upon nuclear energy. And we progress, by using high level expertise with the wisdom of experience.

Taylor Woodrow is proud of its close association with the UKAEA and looks forward to the day when nuclear power, used peacefully, is harnessed to the satisfaction of one and all.

# EXPERIENCE, EXPERTISE AND TEAMWORK, WORLDWIDE For further information call Ted Page at Taywood House, or, for overseas, call Don Venus at Western House. UK-Taylor Woodrow Construction Ltd., Taywood House,

345 Ruislip Road, Southall, Middlesex UB1 2QX. Tel: 01-578 2366. Overseas-Taylor Woodrow International Ltd., Western House, Western Avenue, London W5 1EU. Tel: 01-997 6641.

Reactors for the generation of nuclear electricity have been demonstrated on a scale that compares with the biggest fossilfuel plant. One hig nuclear unit can replace 10m barrels of oil a year. Geographically, the fuel is dispersed more widely

than oil and is therefore less likely ever to be the subject of international collusion to try to control price and flow - one kiod of nuclear collaboration the world can do without. Technologically, the 200-odd reactors already operating have proved safe by any standard of comparison with fossil-fuelled plants. (Well-publicised events

THERE IS no shortage of ideas for replacing the world's resources of liquid and gaseous

hydrocarbon fuels with alterna-tive sources of energy. The problems—the real ones at least —are all down to numbers.

Whether the idea is for keeping petrol. gas or electricity flow-ing, the ideaa all tend to work out many times too costly, and many times too modest in the energy they might yield, to pro-vide any effective substitution. The single exception of an energy source available on a scale and with a dependability comparable with current energy sources is nuclear energy.

involving the Three Mile Island 2 reactor in Pennsylvania this spring have not changed the safety statistics, for no one got hurt.)

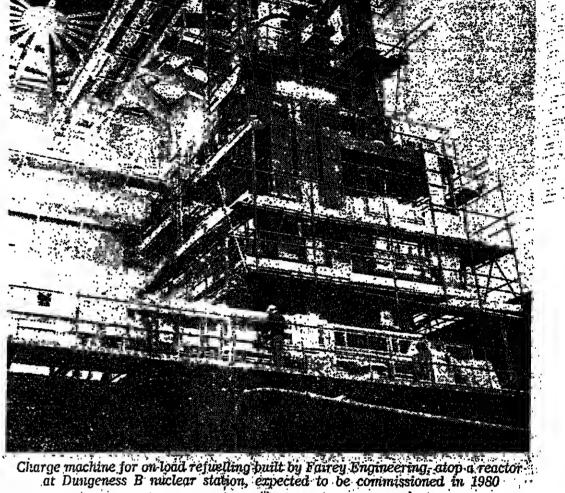
### Overhauling

In cost their energy is rapidly overhauling the cost of fossil-fuelled electricity even in countries with large indigenous reserves of such fuels. In Britain, for instance, the nuclear stations have been producing electricity at about two-thirds of the price of coal-fired stations, as the accompanying table shows.

> GENERATION COSTS 1977-78 per kWh

Nuclear (Magnox) 0.76 Coal Oil 1.42 Source: CEGB (given in Parlla-

mentary answer December 1978) Eut the trend in Britain,



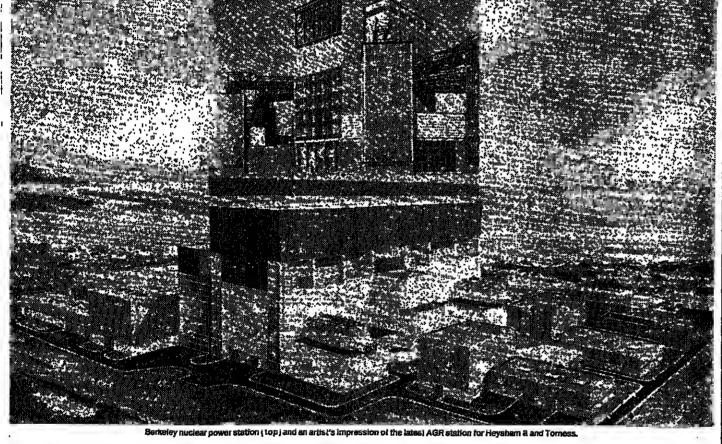
decisions must he that nuclear reactor design and construction. and requires much highly plant construction is going to be . But the fact remains that skilled work on sit

Financial Times Thursday July 19 1979

WORLD NUCLEAR INDUSTRIES II

Designing for the

next 25 years



# Over 20 years' experience designing and building Britain's nuclear power stations.

The Nuclear Power Company

Playing a leading role in delivering alternative energy. For 20 years the staff of NPC has designed and built nuclear power stations.

The record is impressive. Berkeley and Bradwell completed in 1963, Hunterston 'A', Trawsfynydd and Hinkley Point 'A' in 1964, Dungeness 'A' 1965, Sizewell 'A' 1966, Oldbury 'A' 1967, Wylfa 1972, Hinkley 'B' and Hunterston 'B' 1977. These have a combined design output of 7,000 Megawatts and are currently generating around 14% of all Britain's electricity

Dungeness 'B', Hartlepool and Heysham 'A' will be completed between 1980 and 1982, and two more AGR stations on order --- Heysham 'B' and Tomess - are due for completion in 1986. These 5 stations will nearly double present nuclear output. Why nuclear power?

Nuclear power conserves our natural, traditional energy resources. This year alone it will save either 7,000,000 tons of oil or 12,000,000 tons of coal for future generations.

And nuclear power stations are safe. No industry takes greater care or has a better safety record than the nuclear power industry.

Nuclear Power Company Limited, Risley, Cheshire and Whetstone, Leics.



initial performance of the new advanced gas-cooled reactors, is to narrow the gap which has opened hetween coal and oil. and nuclear power. Elsewhere, for reasons dealt with in the next article, this UK trend bas not become apparent. Many-perhaps most-indus-

trialised nations now accept the numbers. Some nations, of which France is the best example, are already demonstrating that big reactors can be uilt and commissioned to a tight schedule. The French Government has authorised 40 such reactors. It is no selfindulgence-" not a toy we're asking for, but a way of providing people with electricity," saya Dr. Michel Pecqueur, the French Government'a chief nuclear adviser. "And we have to provide enough electricity to of nearly £40m last year. avoid political and economic damage in the future." France, AEA was never an "ivory tower"

which has been building hig of boffins divorced from the problems of manufacturing nuclear units in six years, exindustry. In 1975, four years for future reactors. after the British Government set

A small developing country which has reached the some conclusion is Romania, which up BNFL, France virtually copied the pattern in creating Cogema, its state-owned nuclear earlier this year signed a confuels group. tract with Canada to build the But the acid test of commer-cial acceptance has still to be

first four of a planned 16 reactors hy the year 2000. Canada itself has been single-Canada itself has been single-minded in pursuit of its own reactor, the Candu, of which it has 5.400 MW on-load and nearly 10,000 MW under con-struction. This apring Atomic Energy of Canada (AECL), Candu's designer, negotiated the West's second nuclear sale the West's second nuclear sale

to East Europe when it eccured from Romania the order for four 600 MW Candu reactors Attractive In this regard the more attractive prospect — for the Britisb pharmaceutical groups especially—would seem to be the Radiochomical Centre, near-

in a \$1bn deal — the biggest joint financing package ever put together for Canadian export. claims Mr. Jim Donnelly, AECL's president and chief executive. He believes the chances are. good that Romania will remain with Candu for its entire pro-gramme, albeit building an increasing proportion of plant itself with each new tranche ordered.

Many goveroments, among them those of all the world's economic pace-setters, are steeling themselves for a firm declaration of faith in nuclear energy and its role in shouldering an increasing proportion of the growth and replacement market for generating plant. Provided the development of technologies for converting coal to liquid and gaseous hydrocarbons are also pursued energetically -- today they are roughly where nuclear engineer-

Where the UKAEA has been less successful in translating its ing stood 25 years ago-they will be absorbing all, and much more, of the coal displaced by expertise in research, development and project management nuclear energy.

Britain is one of the nations into latter-day industrial which will pioneer this massive achievement is in the matter shift in the market for coal, pro- of reactor desigo. It is the vided declsions in both indus- higgest ahareholdar (35 per tries are taken soon and taken cent) in the National Nuclear with enough determination. Corporation, the Government's Politically, one of those "chosen instrument" for civil

Contraction of the second second second

Gulf Oil.

established on a steady if fairly neither Britain nor anyone else modest basis—perbaps just one. has demonstrated the gas cooled new 1,200 MW unit a year dur-type of reactor performing well ing the 1980s compared with four or five a year in France. This will provide the manufacturing base from which a more rapid expansion can take place in the 1990s and thereafter.

From the expertise assembled 25 years ago when the UK especially—at three times that Atomic Energy Authority was output. created has come a new industry of a size and diversity that is still impressive by any inter-national standard. The UKAEA itself bas produced two large subsidiaries—British Fuels (BNFL) Nuclear providing nuclear fuel services worldwide to a value of nearly £300m last year: and the Radiochemical Centre, selling radioisotope products worldwide to a value

They demonstrate that the UK

applied to the two Britisb com-

ing the end of a £15m capital investment near Cardiff which will double its manufacturing

capacity. BNFL, on the other hand, will forever he under

much tighter surveillance from Government because of its close

association with production activities for nuclear weapons.

Moreover. companies which once might have welcomed the

opportunity to share the risks

of BNFL's £2.5bn capital invest-

ment prgramme for the 1980s-notably Shell UK and Rio Tinto-Zinc-may have been dis-

conraged hy expensive excur-

sions into other nuclear

ventures during the 1970s, such as Royal Dutch Shell's loss of

£200m in its partnership with

panies. This must be their popularity with the stock market if the Government abould ever activate the clause in the Act which set the two companies up, so permitting the sale of up to 49 per cent of the sbares of each.

at an output much greater than. about 400 MW. This is regarded as less than the minimum economic size of the alternative water-cooled reactors, some of which are operating satisfactorily - in West Germany

Britain, with a commitment to some 14,000 MW of gas-cooled reactor capacity, certainly cannot abandon the system. It has many intrinsic merits to offset the facts that it is much hulkier than some rival reactor systems-gas is a "thinner" coolant than water or sodium-

hetter be done under the more tightly controllable conditions of the factory. What the Government may not yet have grasped, however, is that two decades of struggling with an intrinsically difficult engineering system is reducing the nuclear manufacturing in-

dustry in Britain almost to the

status of a craft industry. This

in turn is raising capital costs astronomically, in spite of rela-tively low wage levels in Britain. There are those who sincerely believe that the gas-cooled reactor alone, at the low rates of ordering Britain will require of new reactors during the 1980s, has no hope of reversing these treods:

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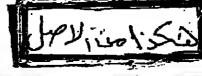
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The CEGB The Electricity Council

### WORLD NUCLEAR INDUSTRIES III

Country



Major reactor vendors

# Partnerships in technology

likely that Britain will need to reactor design and manufactur-embark on a partnership with ing industry urgently needs to embark on a partnership with ing industry urgently needs to another nation, much as other, advance its performance from countries France and Japan the craft industry towards with the U.S. Brazil with West which it has been slipping. Germany five USSR with its towards production periodogy Construction farmers. Romania with with standards of manufacture Charles have shready done ing muirol and qualify assur-The costs and the tisks of ance comparable with the another manufacturing business industries. meron pertners, Romania with with standard Thada-baye shready dane, mg conirol a Pheroficial solution for the aircraft or action memoration for the aircraft or action memoration for the aircraft or action memoration for Three other definit informately, the have been con memoration by the standard costs of partners over in gaserooted type of reactor months. One lat Hybrids has favoured have months. One reaction manufacturing buildings industries area available for Three other nuclear vendors relation for the state of the rehabilitation of gas-cooled technology leading to gas-cooled fast breeder reactors.

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But prospects of partnership. are still wide open in respect. of the various water-cooled reactors and the sodium-cooled fast breeder reactor. British in Britain in partnership with Gernment policy at present is Rolls Royce and Northern that the electricity supply Engineering Industries industry should explore the pos sibilities for collaboration 'to build a demonstration pres-surised water reactor (PWR) in Britain, under licence from an international reactor yendor.

Britain should collaborate with Westinghouse Electric. The industry believes that the PWR is too attractive in too many espects for Britain to ignore of a reactor it can commission he rate of 5,000 MW z year- choose System 80 for its demon-I electricity growth is strong stration PWR plant

sion on technology transfers, however, is the way the British nuclear design and construction should be organised in Britain. The present two-tier structure

more formance of any design of power reactors in the world. The third is Combustion Engineer-ing, the U.S. group which late last year announced a new interstations. national reactor venture based

# Consortium

This consortions, RNC (Nuclear), currently based at the London headquarters of The Government still awaits the Rolls-Royce, made no secret of industry's advice, although this the fact that it saw the British is shortly to be tendered. The advice will be that gus non of a successful debut British Atomic outside of the U.S. for CE's System 30 reactor. This is the reactor which has claimed most orders from U.S. utilities in the 1,200-1,300MW range of output. in favour of its own vastly But CE had not sold one over-more labour intensive advanced seas. It has told the British gas-cooled reactor (AGR), ... It. Government that it is willing in believes it may need the option principle to place substantial of a reactor it can commission business in Britain for plant associated with its' U.S. reactor more quickly the French are associated with its U.S. reactor building, them in six years at contracts if Biltain would ing Board.

The cambit appears to have The industry believes that failed. In fact, it would have Westinghouse has a reactor been rather surprising if it had which given some modification; been able to muster a case will be acceptable to the sufficiently strong to overiment a Nuclear Installations inspectic authorised the Government torate, watchdogs of public authorised the National Nuclear safety. It also believes that Corporation to negotiate with

IN ORDER, to rebuild fits Westinghouse will provide the Westingbonse back in 1975. One Gregson, chief executive of the nuclear reactor construction kind of assistance in tech- Rolls-Royce executive admits engineering side, can claim a industry it seems increasingly pology transfer the British that he bas been sbocked by good record in site management and the organisation of its some of the high prices quoted nuclear contracts, most of which by British companies for comare directly concerned with tha ponents for the U.S. stations. Still unresolved by any deci-

reactor. Rolls-Royce is the lead company in a consortium, Rolls-Royce and Associates, building PWRs for the Royal Navy at the steady rate of one per year. Rolls-Royce provides the of the National Nuclear Corpora-

Navy with a unique " cradle-tograve " service in respect. of tion with a third layer of supervisory management, arrived at these reactors, backed np by a in 1974; has not been a success large research and development and seems to satisfy no one. effort at Derby. Recently it There is a consensus that a bas put up a acheme for conventional company harnessing its experience in the management structure must be development, design and project tried. The principal burdle in management of small PWRs to reorganising the company seems to lie in precisely defining its role in relation to the electricity the manufacture of barge-mountad nuclear powerplants in the range 200-500 MW. The supply industry. This industry is not aven agreed within itself idea is that such plants would be made under tightly conwbether it wants the company trolled production-line con-ditions, then towed to a to be simply a sub-contractor, or to provide a system engineering convenient creek and concreted into the landscape. The com-pany claims, moreover, that the job on the nuclear steam supply system, or to undertake turnkey projects for complete nuclear costs of power from such plants

would he no higher than the latest estimates for the twin Beyond this uncertainty over 660MW AGRs the CEGB plans lts role lie serious differences to build at Heysham. of view on which sectors of

industry should exert the dominant infinence over tha nuclear company. There are Another related international partnership in reactor manufacture, eventually involving the same group of companies. those who argue that so vital to success in this industry is a will be required to make a bigh level of technology that the dominant influence must he commercial success of Britain's fast-breeder type of reactor. In the mid-1970s the Governthe heavy electrical industry (GEC) or alternatively the UK ment abandoned negotiations, Energy Authority. then at ao advanced stage, for There are those who argue that the mechanical engineering a partnership with France, at a time when the two developgroups Babcock and Wilcox and ment programmes were running Northern Engineering Indusneck-and-neck. Since then the tries have wider experience of French have drawn well ahead through their . Superphenix project for a 1.200MW demonbig-project management and construction sites. And there are those who argue that, whatstration fast reactor. Recently the possibility of a ever decisions manufacturing industry reaches, the company partnership has reopened,

will always be dominated by albeit on a more intricate basis the Central Electricity Generatthan might once bave been the case. Britain and France are At the fringe of the debate talking again about the possion reorganisation stand two bility of not one but two partstate-owned companies, Rolls- nerships, one for reactors and Royce and Fairey Engineering one for the fast reactor fuel with considerable experience of cycle-in which Britain is probcycle-in which Britain is probnuclear reactors and the high technology end of the business. ably still ahead. The next step will be for the British Government to decide whether, this No role, however, has yet been time, it wants the partnerships found for either group. Fairey, In the view of Lord to be pursued.

<b>U.S</b> .	52,600	137,000	Babcock & Wilcox Combustion Engineering General Electric Westinghouse
Japan	11,200	7,000	Hitachi Mitsubishi Heavy Industries Toshiba
W. Germany	9,000	18,000	Babcock Brown Boveri Reaktorban Kraftwerk Union
France	8.300	- 36,000	Framatome
Britain	8,000	6,000	Nuclear Power Company
Sweden	5,400	4,000	ASEA-Atom Westinghouse
Canada	5,400	10,000	Atomic Energy of Canada
Spain	2,000	12,000	General Electric Krafwerk Union Westinghouse
USSR • MWe:	8,500 Megawatts of elect	12,500 tricity	Ministry of Energy Manufacture
Т Т			
U	ran	um	supply

WORLD'S LEADING NUCLEAR NATIONS

MWe\*

On order

Y/B 1978

.MWe\*

Installed

Y/E 1978

ANYONE IN Britain who may basis. Full membership was need reminding that uranium. has become a highly political companies raw material need think no fur-ther than the petitioning of Parfuel cycle.

liament this month by Orkney Islanders, in an attempt to prevent any exploitation of Britain'a only significant known source of the fuel. Uranium is a mineral with one use only, for all practi-cal purposes. Likewise, for all practical purposes, there is no substitute for uraninm fuel. Thus uranium suppliers and their customers, the electricity utilities, are totally dependent npon one another. Given the high capital cost of nuclear reactors, the utilities need to ba assured that their suppliers can meet an increasing demand for plants oil in electricity generation.

The Uranium Institute was founded in London in 1975. initially as an association of uranium producers seeking better market intelligence on the growth in the demand for their commodity. Quickly it hecame clear that it could be credible as a "think-tank" studying questions of supply and demand only if it represented users as

central question of supply and demand again only last year. Its opened not only to the elec-tricity supply industry but to first major report is shortly to be published. specializing in The gist of this report is that specific sectors of tha nuclear tha suppliers abould have no difficulty in fulfilling the market

Today its membership totals for nuclear fuel for the next 40, representing 13 countries, and It embraces 10 of the major electricity companies of Britain, France, West Germany, Italy, Belgium, Sweden and Japan, Its chairmanship alternates between Proposal suppliers and customers-cur-rently it is Mr. Reg Worrol, from South Africa's uranium industry. The Comecon countries are not represented. Nor -except for one utility-is tha U.S., the world's biggest supto safeguard the world'a elecplier and user of uranium. This absence is a legacy of the baruranium as nuclear fuel sup- rage of anti-trust litigation which greeted the birth of the Institute,

and demand

Not only anti-trust action but also a wave of public concern about proliferation of nnclear weapons confounded the Institute's early years. It soon hecame clear, says Mr. Terry Price, secretary-general, that study of the prevailing market environment for nuclear energy must take precedence over ques- view that such a fuel bank of value, not just on uraninm tions about supply and demand. would add to the cost of nuclear but on the whole of the nuclear well as customers on an equal For this reason it picked np the fuel, and anyway is not really fuel cycle.

necessary since stockpiles could serve the same purpose. Two kinds of uranium stockpile bave hcen proposed. Every utility with nuclear reactors intends to bold stocks. As matters stand, it is almost impossible to transfer these stocks from nation to nation to meet shortterm fluctuations in supply and demand-as electricity itself is exchanged—because of the terms of tha supply agreements. Even within the EEC, Euratom has not easily been able to negotiate the " SWADof uranium stocks ping " between memher nations. But tha Institute points out that if governments relaxed some of tha more restrictive terms over transfers, these stockpiles could fuifil part of the economic purpose of an international nuclear fuel bank.

35

with Some governments nuclear programmes also have their own national stockpiles. Sometimes this stockpila bas proved useful to a local uranium producer, allowing him to fulfil a delivery when be was faced with difficultles. This, says the Institute's report, is "an efficient way of ensuring security of aupply against com-mercial risks. More transactions mercial risks. More transactions of this kind would be useful." Moreover, it believes the uranium exporting countries could do more to cross-guarantee one another, under bilateral agreements between governments, to enable any of them to provide a back-up guarantee to a consuming country.

The Institute's third proposal is that the need for front-end cash by countries planning to emhark on a nuclear programme could also be used to guarantee compliance with any consensus on non-proliferation.

It suggests that an interfor nuclear fuel for the next at suggests the fund, pre-decade. Now the Institute is national guarantee fund, prelooking beyond 1990--"terribly ferably managed by the difficult until we find a International Monetary Fund, methodology," admits Mr. Price. should be made available to utilities via their governments in developing countries in need of cash. This fund would allow For the past year the Institute them access to uranium under bas also been examining a pro- "swap" agreements, and to posal which has received Presi- enrichment and reprocessing dent Carter's blessing, for an services. Its conclusion is that international uranium fuel bank such a fund would he " more effective and less costly than any fnel bank."

tricity industries against uni-A collaboration of the kied lateral shifts in government policy on the part of supplier represented by the Uranium Institute — essentially a trade nations which might turn off association, alheit one which supplies. The U.S. Government bas proposed that such a fuel embodies the customers for its bank would give extra security commodity-is still constrained. of supply to countries which complied with an international legally in what it can do. For example, it can never he very consensus on preventing the precise in its conclusions about proliferation of nuclear weapons. trends in uranium prices. The Institute's committee on Neverthcless, says Mr. Price, it international trade takes the turos out that a lot can be said

Uranium is useless

Concellue best reasons for utilising uranium as and many source of energy is that it is useful for very title of those biels are needed for transport runtes the new materials from which plastics, pesticides, pharmaceuticals and many other vital products are produced. To date, BNFT has produced nearly four million uranium fuel elements and fuel pins for nuclear power staticities in Britain. This is unvelent has a wine fire hundred million

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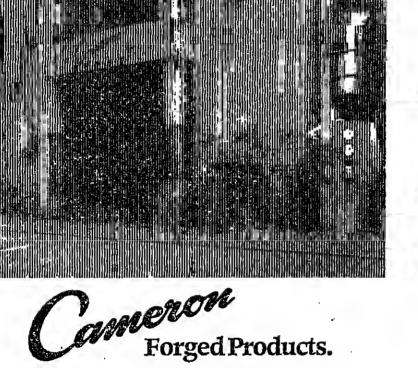


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### WORLD NUCLEAR INDUSTRIES IV

# The JET path to fusion power

AT CULHAM, near Oxford, the world's most ambitious joint formally launched this spring. This is JET, the Joint Euro-pean Torus, an experiment in which 11 European nations-the nine EEC countries along with Sweden and Switzerland—are participating in the search for data on which to base the design

of a thermonuclear reactor. According to Professor Jeao Teillac, the chairman of the JET Teillac, the chairman of the JET Council which supervises the project, the first discussion of a large combined European fusion project was in 1971, soon after the promise of the Russian Toka-mak approach had become apparent. The physicists were calculating that higger, more powerful Tokamaks should be able to maintain conditions relepowerful Tokamaks should be able to maintain conditions rele-vant to a reactor—that is, to a machine with a net yield of energy. The questinn was how th finance experiments which, on the one hand, promised hound-less energy, yet which clearly would be costly and difficult to carry out

carry out. A working group was cstab-lished, representing the several national fusion research centres of Europe, to assess the techni-cal implications. The EEC and the national centres then agreed late in 1973 to set up a design team, comprising scientists seconded from their own laboratories. They assembled at the Culham Laboratory of the UK Atomic Energy Authority, under a Frenchman, Dr. Paul Rebut.

Two years later, and with the help of more than 200 research contracts placed with the national centres and European industrial companies, Dr Rebut's team submitted a design proposal for JET, JET is essen-

fashioned in the sbare of a torus or ring doughnut. 20 feet across. It is designed to act as a "bottle" fnr electrified gas at extremely high temperatures and pressures. This writhing mass of gas-"plasma"--will strain ceaselessly to escape from the hottle. If it so much as touches the wall of the torus its heat will

magnet with coils bigger than the participants therein, a

KEY TO REGION

2 Poloidal field coils

3 Core 4 Blanket module

Not until October 1977 did these two projects. The USSR delayed the project. Instead, he the Council of Ministers of the has plans for a bigger experi-Europess Communities finally ment than any of these, called coils and glass-fibre insulation. agree On a site—Culham, ad-the Tokamak T-20, but has not Dr. Rebut's other major design

6 Duct joints

Shield door

Shield structure

So far, the 11 partners have committed about £100m to the construction and about £20m In June 1978 the JET Joint for the operation of JET (Janu-In June 1978 the JET Joint ary 1977 prices). The budget Undertaking was formally established by the budget So per cent by iisbed by the Council of Minis (the European Commission, 10 for the operation of JET (Januhow be guided to follow its ters, with a remit to "construct. per cent by the 11 participants, writhings and keep it away from operate and exploit, as part of the pressure vessel wall. The Community fusion pro-Dr. Rebut's team designed a gramme and for the henefit of Britain as host nation. If the basic machine is a suc-

Jy 19 1979

principle is to make the torus modular in construction, built, up from eight "orange slices," each of which can be removed, and replaced as a complete module. This will facilitate manufacture and testing. More important, however, the prin-ciple is expected to become very. important for the efficient dis-mantling, and maintenance of the torus once the physicists begin fo use tritium and the structure becomes radioactive.

module or

coils and external structure, will

slot into the torus between two

adjacent return limbs of the

11 Servicing floor 12 Injector, refuel and control access

escape-and will damage the fusion. pressure vessel. But because of its clectric charge the plasma can be restrained by magnetic forces, provided these can some-

joining Britaio's national centre. yet approved funds. This was the European centre. with the best reputation for. So far, the 11 par big-project management in committed about fit

What a thermonuclear fusion reactor may look like. The UK-AEA's Culham conceptual Tokamak Reactor Mark 2

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been wound for an large torus facility of the Tokahad ever electrical machine. wrapped was the most ambitious research proposal ever placed hefore the EEC Commission.

Contentious

Nevertheless, in 1975 it was approved by all partners. Then hegan two years of contentious argument over which was to host such a spectacular research project. Everyone wished to be host to a venture which in concept would be stretching present-day technology to the limit in some crucial respects. Every nation knew that so large an infrastructure would have to be developed to build JET successfully that its host would automatically hecome favourite for the next European struction at Princeton, hut com-fusion experiment, and eventu-plements its design. The two ally for the first European experimental fusion reactor. But design information and will be the physicists also knew that, exchanging results. TFTR is so ambitious was JET's design, they would need above all the

mak-type and its auxiliary round a core of some 1,500 facilities in order to extend tonnes of stcel. The experiments the parameter range applicable would consume as much elec- to controlled thermonuclear tricity as a small power station fusion experiments up to concan produce-up to 230 MW. It ditions close to those needed

The Joint Undertaking confers upon the project a high degree of autonomy and, in view of Professor Teillac, "represents a major step forward in Europeau co-operation." It has its own set of statutes, funds. management organisation, and staff of up to 320. In addition, it will he able to draw upon the Culham Laboratory, just a few yards away, with its fllm-ayear national fusion research programme.

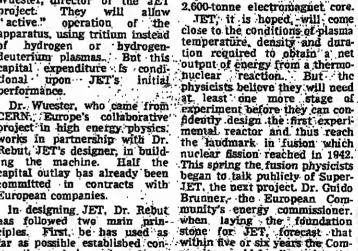
JET is helieved to be the world's most ambitious experiment in fusion. It is bigger than the Tokamak Fusion Test Reactor (TFTR) under conteams are already exchanging scheduled to operate in 1981, 12-18 months before JET. Japan dedication of a large, estab- has begun huilding an experilished national fusion research ment on the same timescale as centre to provide support. JET, which in size lies hetween

cess, the Couocil of Ministers expects to be asked for another | Each £35m in the early, 1980s for octant." comprising a 45 degree Sector of vacuum vessel togethe 'improvements." with its associated toroidal field " With improvements, I-think

JET will go beyond all, the others," says Dr. Hans-Otto Wuester, director of the JET They will allow project. "active." operation of the apparatus, using tritium instead of hydrogen or hydrogen-deuterium plasmas. But this capital expenditure is conditional upon JET's initial

performance. Dr. Wuester, who came from CERN. Europe's collaborative' project in high energy physics. works in partnership with Dr. Rebut, JET's designer, in build-ing the machine. Half the capital outlay has already been committed in contracts with European companies.

has followed two main prin-ciples. First, be has used as far as possible established construction techniques in order to minimise the technological risks. He has not used super-conductors, for instance, for the 250 MW toroidal field colls because these would have complicated design, increased the, think in terms of a world cost and almost certainly.



munity would be discussing the finding and siting of Super-JET. It would, said Dr. Brunner, be tremendously costly — per-haps more than 5500m. The politicians might even need to machine."





# WORLD NUCLEAR INDUSTRIES V

# Enrichment clubs come on stream

UP TO 1970 there had been Holland with only a minuscule almost an collaboration between nuclear programme. It offered cations in the employment of both a way of apploiting a pro-uranium. Britain and the U.S. mising new commercial develop-collaborated during World War ment and of giving the world It mine Britain about Car

Financial Times Thursday July 19 1979

technology was postponed for another 15 years

### Urenco

In 1970 Britain West Ger-many and Holland formed a. "club." called Breaco for the commercial exploitation of a flist Urenco would invested woat new method of enriching it saw as the world's best safe nramium called the gas centre, guard against the spread of fuge process. The Idea of using enrichment technology and the transmod centrifuges for sep. Tisks this entailed for proliferabigh-speed centrifuges for sep-arating mixtures of footopes had, been around for at least 50 years. How to do it dependably, at a price competitive with the gas diffusion factories of the U.S. and USSR, set np. to enrich uranium for weapons, was a remarkably difficult on-gineering problem. But the three European countries believed they were well on the way to solving the problem, and could complete the task of turn-ing it into a-commercial husiness much quicker if they collaborated.

began talks on a partnership to chairman, the project has never exploit their work. Germany, suffered a serious technological with ambitious plans for setback from the day when the npclear power, was wary of in three partners first began to dis-ternational reaction from close their ideas to each other.

uranium. Britam and the U.S. mising new commercial develop-collaborated diring World War II. when Britam abandoued its own plans for building an experimental plant in Wales to try to make aramum 25 as supplementation of the second s Interatom!

The Treaty of Almelo had some severe difficinatic reper-cussions. The U.S., which virtually monopolised the supply of emychment arantim to the neu-Communist world, claimed that Uranco would threaten what it saw as the world's best safe tion of nuclear weapons. In Europe, France, Belkium and Haly were all aggricyed at being left out of the clisb. Each paraded its own research on the gas centrifuge as syldence of oualifying for membership. But the pitfalls of partnership between three stations; all known to have made roughly the same technological progress, were deemed a sufficiently risky basis on which to lannch the

cinb. Technically Urence has been borated. a great success. According to First Germany and Holland, Dr. Peter Jelinek-Fink, Urenco's



Dr. Alan Johnson, BNFL director responsible for enrichment, breaking ground at Capenhurst in April for a £90m investment in uranium enrichment. This is the latest phase of the Anglo-German-Dutch gas centrifuge project

without losing a single one of its tens of thousands of machines.

that?" joint project on Dutch soil. For factory was given, inadvertently, gas centrifuge embodying the collaboration cannot be.

-

in Holland.

Nevertheless, a unified Urenco technology remains the From the very first dis- goal of a £25m a year research closures, when the experts began and development programme saying "wby didn't we think of spread among balf a . dozen. technical progress bas research centres in the three been "absolutely marvellous." nztions. In an ideal world, says claims Dr. Jelinek-Fink. But Dr. Jelinek-Fink, Urenco would Urenco has also generated also be collaborating with the internal competition-"friendly U.S. Department of Energy, but critical"-between the three. which has a major programme ternational reaction - from close their ideas to each other, national development teams, of gas centrifuge development. Eastern Europe especially—if it "The, centrifuge, is getting. This rivalry has tended to delay. But current U.S. Government began to build a uranium en- cheaper, and cheaper, day by one of the initial goals of the policy on nuclear proliferation richment factory. It proposed a day." Early last year the Dutch club, namely a unified design of alone ensures that such a

particularly severe test when best ideas of the three coun- Urenco is also pressing ahead enrichment contract with Brazil, down hecause of a demonstra- investment, £180m, approved by in West Germany, even though tion at the site by anti-nuclear the three Governments earlier this cannot he instified on any campaigners, Urenco executives this year will be divided between foreseeable commercial developexpected many machines to fail a British design of machine for meots during the 1980s. Proviwhen they switched on again. In the Capenhurst factory in Eng- sion for a German plant was the event they restarted the land and a German design of made in the Treaty of Almelo. whole factory in one night machine for the Almelo factory Pressure to build one bas come from German electrical utilities,

orce im mucilear

profoundly disturbed by two political intervections in the fulfilment of enrichment contracts they thought bad heeo signed, sealed, and blessed by International Atomic the Energy Agency.

The first was the insistence of the Carter Administration on re-negotiating all foreign enrichment contracts two years ago, which led to a long holdup in deliveries to Germany. The second was the inability of the Dutch Government for many months to ratify Urenco's

which provoked fears at one stage that Holland might even pull out of the club.

According to Urenco, the Germans were infuriated by discussion in the Dutch Parliament of the need to "control the Germans."

The German factory is to be built at Gronau, only about 20 miles from Almelo. The first facility will be an assembly-line for gas ceotrifuges manufactured by MAN, Dornier and Uranit. This is already under constructhe first tranche of enrichment capacity to be operating by

about 1983. But Mr. Wilfred Rooke,

the British and German fac- requirements. (Urenco's efforts tories—in order to try to to sell enrichment to Electricite assuage Dutch worries. "The de France were baulked by start breaking up." Under the ment.) A second project called terms of the Treaty of Almelo Coredif, for which Iran was or expand a factory, or sell enrichment to customers which have not complied with international requirements on safeguards.

Frielisi 4

The formation of Urenco as potential competition for the U.S. monopoly of supply in Western Europe prompted the birth of a second competitor. In the 1960s the French bad developed their own enrichment technology, based on gas diffusion, for a weapons programme. They proposed a rival club may be as much as 30 p called Eurodif, in which several below European prices.

potential customers - nations with large nuclear programmes -would put np the cash to huild a commercial enrichment factory hased on French tech-nology. In 1973 Belgium, Italy and Spain (and later Iran) put up mooey for Tricastin, a manu-facturing complex in the Rhone Valley, which will include 10,800 tonnes of enrichment capacity and 3,600 MW of nuclear electricity. The first cascade of the Eurodif plant came into operation early this year. By the end of the year this massive undertaking is expected to be producing onequarter of its designed output. Eurodif bas undoubtedly cornered a large part of the European market which Urenco

in its formative stages bad hoped to fulfil. Like Urenco, the project gives every indication of being an outstanding technical success, not least in the way a complex engioeering, project has been kept on schedule. Again like Ureoco, its commercial future is clouded hy the fact that nuclear energy failed to expand in the latter balf of the 1970s at the pace wblcb the industry confidently

expected following the oil price iocreases of 1973-74. Eurodif's current position appears to be that its sharetion. The plan then calls for holders bave committed the cash to complete the project; but one (Iran) no longer offers potential market, while for another (Italy) the market bas Urenco's general manager, receded far into the future. stresses that there could never Bnt France, Belgium and Spain be any question of allocating a have three of the biggest contract to a specific factory- nuclear programmes in Europe least a few say, the Brazilian contract to relative to their electricity big market.

day we do that is the day we order of the French Governnone of the partners can uni- expected to contribute 20 per laterally enforce its will to close cent of the cost, now appears unlikely to proceed, bowever. Eurodif's surplus capacity

and Urenco's proven technical ability to grow faster than the European market will allow have obliged both organisations to carry the commercial battle to the Far East and the U.S. itself. In Japan Eurodif bas already succeeded in winning a contract. In the U.S. both clubs are trying to sell into a very large but temporarily very depressed market, against a home supplier whose prices may be as much as 30 per cent

Advantage

The U.S. Department Energy has the advantage of its newest factory heing 24 years old, and of being required neither to make a profit nor to pay tax. It has also proved itself to U.S. utilities as a highly reliable supplier. And with a major investment programme in plant improvements nearing completion, it has enrichment capacity to spare. But It is at liberty to raise its prices when-ever it chooses, whereas Urenco for instance is offering U.S. utilities fixed-price contracts.

The signs are that the U.S. Government recognises that it bas lost any bope it ooce entertained of continuing to monopolise the non-Communist market for enrichment. The latest U.S. campaign to sell enrichment to Europe appears to bave met with no success. Europe now bas two indigenous sources. German utilities bave displayed their confidence in Urenco by transferring contracts originally placed with the U.S. Government to the European club this year.

One blg question now for the U.S. Government is how much of the cost of the big plant improvement programme, and aiso of the programme to build the first 2,200 tonnes of gas centrifuge enrichment capacity in the U.S., 'it should try to reclaim from its customers in higher prices. Its decision could give the European clubs their big opportunity to secure at least a few per cent of this very

NEI not only offers a complete turnkey capability in the provision of conventional power stations, but is also a leading contractor in the design, manufacture, supply and installation of major plant for nuclear power stations.

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NEI companies have been involved in nuclear power since the birth of the Industry, supplying plant for the original prototype projects at Calder Hall, Windscale, Winfrith Heath and Dounreay.

For the two AGR stations, Hunterston B and Hinkley Point B, NEI companies were major plant suppliers whilst for the two projected AGR stations at Heysham B and Torness, NEI have the design contract for the steam raising plant (based on the company's successful designs for Hunterston B and Hinkley Point B) and have submitted tenders for manufacturing the turbine-generators for these new stations.

In Canada, the Pickering Candu nuclear power station has NEI Parsons turbine-generators and is recognised as one of the most successful nuclear stations in the world. NEJ Parsons machines were also supplied for the larger Candu station at Bruce, recently completed six months ahead of schedule.

Companies now in the NEI Group have been leading members of British consortia for nuclear power stations since the earliest days and today NEI participates in the National Nuclear Corporation.

For many years to come Britain's energy needs can be met only by a strong nuclear energy programme combined with a strong coal-based source. NEI has the experience and expertise, the resources and facilities, to play a major part in providing equipment to satisfy these needs.

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The South of Scotland Electricity Board's Hunterston B 1300MW AGR nuclear po ver station for The South of Scheman Electricity boards future active to Econing Four reactions, power station for which NEF companies supplied the steam reising plant; turbine generators; pipework; control rod ectuators and reactor mechanisms; active maintenance equipment; control, chemical and nucleonic. systems, generation and transmission transformers, main and motor control boards; and the main control room

-38 **Applied** Power

Rolls-Royce haso ver 25 years' involvement with nuclear power and, through Rolls-Royce & Associates, 20 years' practical experience in the design, supply and support of pressunsed water reactors for the Royal Navy's nuclear submarine fleet. The reputation gained for safe design and product reliability is reflected in a healthy order book that takes Rolls-Royce & Associates firmly into the 1990's.

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SNLATECHINT :

# WORLD NUCLEAR INDUSTRIES VI

# Clubs take care of plutonium

PLUTONIUM, as a by-product that the partners had seriously national reprocessing service. of the operation of almost every underestimated the technical Germany, however, has postkind of nuclear reactor, has problems of reprocessing higb- poned its decision to follow its been the subject of attempts by burn-np oxide fuels. By the partners with a big plant, for nations to work together since mid-1970s plutonium prolifer- reasons which the politicians the aarliest days of the nuclear ation had become a major openly admit are political and industry. The primary aim was public issue, with America-the not technical or economic. to see that plutonium, as a nation which in 1955 had material, was not declared reprocessing techfissile diverted into nuclear weapons nology "safe" for international converting the bigbly radiobot was retained strictly for dissemination-now attempting active wastes into stable solid use as a new nuclear fuel. More than 50 nations today of the 1970s, with the stored safely for a very long bave research or experimental impracticability of U.S. policy

opinion bad become "sensiplutonium in sufficient quantities to give them nuclear tised" to another technical weapons if they so choose. More bighly radioactive than 20 nations have electricityproducing reactors making products from reprocessing.

much bigger scale. All but a Shifts

bandful, however, bave elected URG bas weathered all these to sign the Non-Proliferation shifts in public perspective. At Treaty, a pact which embraces the conference of the European 105 nations which do not have Nuclear Society in Hamburg in nuclear weapons, and another May, Sir John Hill, chairman three-U.S., USSR, UK,-which of the UK Atomic Energy are nuclear weapon States. Authority, praised France for Its signatories accept the in- its technical achievement in ternational safeguards and joining Britain and Germany reactor inspection procedures of in baving successfully repror inspection procedures of in baving successfully repro-vitrification plant it is planning International Atomic cessed about 100 tonnes of to build at Windscale. Energy Agency (IAEA) in mxide fuel - "a fine achieve-- the world's premier ment by our French colleagues." nuclear club - the purpose of Some of the French fuel had which is to ensure that no burn-ups as bigh as 30,000 MWplutnnium is being diverted to illicit purposes. The IAEA has laid the foundations of procedays per tonne. Germany, at its WAK plant at Karlsruhe, bas dures for accounting for fissile reprocessed about 85 tonnes of materials in nuclear fuel and oxide fuel. Britain, at Windscale, has reprocessed about 100 spent-fuel inventories.

Hard on the beels of Urenco, tonnes but is currently concen-Europe's enrichment club, at the beginning of the 1970s came a second European nuclear trating on metallic uranium (Magnox) fuel reprocessing at rates exceeding 30 tonnes a club, United Reprocessors GmbH (URG), Britain, France week.

All three partners in URG and West Germany, the nations are convinced that reprocessing "ls not only desirable but necessary and inevitable," said Sir John. Nuclear waste when with the biggest electricity networks and the most ambitions nuclear plans, announced that conditioned and glassified is much less of a problem than the they would pool their experience of reprocessing spent nuclear fuel. unprocessed spent fuel. In the longer term, reprocessing will be required to improve nuclear fuel utilisation by a factor of

100—from 0.5 per cent for the "once-through" cycle to over 50 per cent for the fast breeder type of reactor. "We are there-At that stage, the intention was not so much the develop-ment of the technology. The partners believed — mainly on fore going ahead as fast as we are able." Sir John Hill assured the basis of experience with low-burn-up metallic uranlum his audience.

fuel — that this was relatively straightforward cbemistry. Cogema in France and British Nuclear Fuels in England are cbemistry. Their intention was to try to both building large new reprodiscourage other nuclear nations cessing facilities for oxide fuel. from investing in national re-Between them they have taken orders for the transportation processing factorles. Such projects would result in proliferaand reprocessing of fuel believed to be worth more than

All three partners are also working on the technology of

to outlaw its use. By the end compounds capable of being time. Unquestionably the most reactors capable of making very clearly apparent, public highly developed technologyperbaps anywhere in the world -is the AVM process developed problem-the safe storage of by the French Atomic Energy waste Commission at Marcoule. Here a pilot plant is continuously turning a stream of radio-active acid effluent from earlier reprocessing operations into black borosilicate glass, cast into steel containers for underground storage in air-cooled pits. The Germans have already asked for a licence to use the technology

at their WAK pilot reprocessing plant. Britain's BNFL is considering using the French process in the £30m demonstration

separate Anglo-French-German club was set up in 1973 to handle the problems of transporting spent nuclear fuel from nuclear stations round Europe to the reprocessing factories.

Nuclear Transport Limited (NTL) is owned jointly by British Nuclear Fuels, Trans-nucleaire SA, and Transnuklear. It earned over £2.7m last year carrying spent oxide fnel across Europe by road and rail to Windscale and Cap la Hague. NTL has a pool mf 18 spent fuel flasks designed by its shareholders and approved by the reprocessors, together with road trailers and rail wagons to a total value. exceeding £3m. Since 1973 it bas made well over 500 shipments of fuel-over fuel elements totalling certain kinds of experiment. 3.000nearly 700 tonnes of uraniumfrom 22 reactors in eight European countries. West Germany has been its biggest customer.

Following approval from the **Britisb and French Governments** for the large reprocessing con-tracts with Japanese utilities, a new company has been formed to bring spent fuel by sea to Europe. Pacific Nuclear Trans-port is a BNFL subsidiary, with contracts to shin A 500 tempor contracts to ship 4,600 tonnes of fuel during the 1980s. It has invested in three new vessels, designed for a cargo with the equivalent in energy of



Financial Times Thursday July 19 1979

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allow it to proceed directly to periments which could increase an authorised destination) only a nation's knowledge of for approved purposes such as plutonium as a potential the manufacture of fuel for explosive. fast breeder reactors or for Dr. Sigvard Eklund, director-

general of the IAEA, believes When the group next meets, progress towards IPS has been November it hopes to resolve "highly encouraging." Such a in November it hopes to resolve "highly encouraging." Such a some of the institutional and scheme of international control legal niceties still outstanding. for plutonium would be,"" a It also hopes to persuade the major contribution towards both Americans to drop their attempt "the solution of some of the to impose restrictions on certain political constraints preventing types of reactor experiment. much-needed developments in with pintonium fuel. But it is the nuclear "industry and to still investigating the possibility the world's non-proliferation of "blacklisting" certain ex regime."

A purpose-built suite of 11 interconnected shielded cells at Downreay. Highly radio active samples are analysed in the cells. shielding being provided by 250 mm thick iron shot concrete. Viewing is through 355 mm thick lead glass windows, and manipulations carried out with lightweight master. slave manipulators



plutonium. More important, as the three URG partners then saw it, such projects would lessen their own chances of reprocessing.

Intention

he

Vienna

£1.5bn. The Windscale Public Inquiry in 1977-78, which found unequivocally in favour of the UK project, also confirmed the making a commercial success of basic logic of the technique in terms of public safety and the By the early 1970s it was clear economics of offering an inter-

tonnes of oil. of the vessel, only 3,000 tonnes deadweight, is dictated by the size of Japan's port facilities. But the design is based on cumulative British experience in bringing some 12.000 tonnes of spent fuel to Windscale since 1965, from places as distant as Japan and Australia.

The considerable experience of Britain, France and West Germany in all facets of the "back end" of the nuclear fuel cycle has gone a long way towards convincing one of the newest of noclear clubs that the current policy of the U.S. Government towards reprocessing is mis-guided. This is the club proposed by President Carter himself in 1977, called the Interoational Nuclear Fuel Cycle Evaluation (INFCE). Any proper that the U.S. Government may once have entertained of persuading the nuclear nations of the wisdom of abandming reprocessing bave evaporated at INFCE meetings over the past year.

### Tighter

But INFCE, in which more than 50 nations are participating. may yet by more sophisticated arguments achieve tighter controls nver the risks of plutonium being diverted from power programmes into nuclear weapons. One argument is that, although unburnt uranium recovered from spent nuclear fuel is a valuable fuel, the accomis an panyine plutonium is an uneconomic fuel for the current reneration of reactors, and is hest stockpiled for use in fast breeder reactors.

Another way in which INFCE may tighten interoational controls on plutnnium is by formally accepting the logic of international reprocessing international reprocessing centres and plntonium stores, under multinational supervision, and preferably located in countries which are already nuclear weapon States. Any unilateral attempt to breach safeguards could then swiftly be published by the miscreant's partners.

Independently of INFCE, an expert group from 24 nations has been meeting in Vienna since last December to try to work out a scheme for international storage of plutonium. The U.S. Government is participating in spite of its domestic policy of forbidding reprocessing and the separation of plutonium. By April this year, the group had worked out a basic scheme for a central International Plutonium Storage (IPS) administration, based on the LAEA. The plutonlum would be stored either at reprocessing factories or fuel fabrication factories.

The idea is that all plutonium separated by reprocessing would be registered with the IPS administration. The IPS would then release it from store (or

The four 750 MW CANDU reactors of Ontario Hydro's Bruce 'A' Nuclear Generating Station are now producing electricity. Unit 4 went

into commercial service ahead of schedule early in 1979 because of better than expected performance.

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CANDU reactors are also linder construction in the Republic of Korea and Argentina, and planned for Romania.

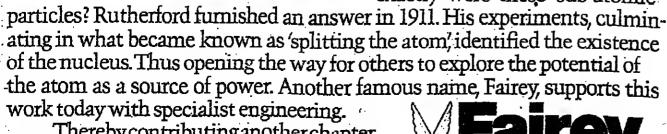
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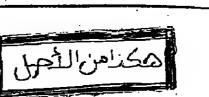
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### Financial Times Thursday July 19 1979 Companies and Markets

# **COMMODITIES and AGRICULTURE**

# **Brazilian coffee** frost fears ease

#### BY RIK TURNER IN SAO PAULO.

ALTHOUGH THE Brazilian The state worst hit by the state of Parava was hit by mosts mosts at the end of May was on Tuesday, first reports indi Minas Genais, which lost some on Tuesday, first reports indi-cate that the areas affected were not coffee producting, and that,

if anything, it is the wheat crop which will suffer Trade reactions to the Brazilian Coffee Institute's (IBC) decision to close errort registrics were conscribed forder. registries were generally favour-able. Unofficial reports sug-gested that the Institute would-not chines the position until August 18 when it will open registries for embarkation in-October

Sr. Jose Candido de Meln of the Sao Paulo brokers, Multival.

naving occur solo. Sr. Melo went on to estimate the IBC's present stocks, also closed for export, at 7.4m bags (60 kilos each)

So far this year Brazil has esported, according to trade estimates, some 7.5m bags, and a further 2m bags are already committed for export in the pext two months.

The National Monetary Council mat yesterday, and was ex- Brazilian weather situation. By pected to announce a pro- the close September coffee was gramme for the recuperation of quoted at £1.871 a fonne, down frost-hit coffee plants.

BY OUR COMMODITIES STAFF

scheduled for disposing of the

1978-79 EEC beet sugar crop

in a series which ran'two weeks

beyond the official end of the

marketing year-

In Brussels yesterday issued factors. export licences for 30,000 tonnes The

exportable surplus from the £1 at £96,

**Commission closes** 

sugar export season

THE European Commission's under the influence of the

7 per cent of this year's crop and 50 per cent of next year's. Parana lost between 5 and 5 per cent for this year and 20 per

cent for next. The support programme for the damaged plants is expected to cost some 8.855 cruzeiros (£180m).....

In addition to financing per plant, based on the degree of damage (which determines the length of the recuperative pro-

cess, during which the plant is improductiva), there will also be an extension of provers' the Sao Paiso brokers. Multival, improductival, there may said the suspension of exports be an extension of growers' was not almed, at putting an end debts, ou loan for production to speculation, which he said financing and for infrastructure was an essential part of the development. The latter is a market, but rather at drawing major factor, particularly in out the so-called cold registra. Minas which is being prepared tions, where cone has been to take over as the country's registered for export without number one coffee producing state.

Our Commodities Staff writes: Continuing frost fears boosted prices on the London coffae futures market again yesterday morning and the September position rose £88 a tonne at one stage.

But prices later decimed as traders had second thoughts about the seriousness of the £11 on the day.

Navy hunts Unigate euphoria salmon poachers

### By Our Commodities Staff

TWO ROYAL Navy vessels are helping to fight salmon poaching off the Northumberland coast. On Tuesday, HMS Guernsey, 250-ton fisheries protection vessel, made a 60-mile sweep looking for poachers. And a week earlier the 500-ton minesweeper, HMS Pollington, made

area. Pollington officers HMS boarded abont a dozen vessels and some presecutions will result.

The Navy vessels are entitled to stop fishing boats to check salmon licences and that their drifet nets are not longer than 600 yards.

Mr. Doug Iremonger, Northumbrian Water Authority fisheries manager, said salmon poaching had become a serious problem in the region. The authority bad one fisheries patrol vessel, be said, but needed Government aid to buy another.

This year licences for salmon netting were granted to 126 vessels employing about 500 men. In 1978 the netting industry caught 64.000 salmon weighing: nearly 500,000 lb and the estimated turnover for this duction? year is between £1m and £1.5m.

### India denies

### exceeding sugar quota

NEW DELHI — India'e State Trading Corporation (STC) bas denied Landon reports that its sugar contracts bave exceeded India'a International Sugar Agreement (ISA) quots for 1979. But a spokesman said the limit was close.

sugar management committee strong pound and other currency He said the STC, which last week contracted 17 cargoes of The October quotation closed of white sugar at its weekly £2.65 a tonne lower on the day tender. Maximum export sub-at £106.425. whites for October/November shinmeot, could not leave considy payable was sat at 30,946 In the morning, the London units of account per 100 kilos. daily price for raw sugar was tracts to bunch up to the end. Last year, shipments fell mar-ginally short of the ISA quota This was the last tender fixed £2 lower at £99 a tonne for 1978 because a November and the whites price was down port strike upset the STC's shipment schedule.

Estimates published in the World Sugar Journal showed a The official said the STC was not unsatisfied " with the presbarp increase in Chinese sugar mium it was getting over the production for the 1978-79 On the London terminal season to 2.55 m tonies raw London daily price but felt the market, meanwhile, prices value compared with 1.88m market was more or less static. drifted lower all day, mainly tonnes in the preceding year. Reuter

not justified BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT THE MILK Marketing Board I have spoken to could lead to had no option on the face of it an over-confidence in the future

but to take over the Unigate of milk which the facts should manufacturing interests. If surely dispel. Unigate had given up processing Overall, the milk, the Board would either have had to build fresh factories and it is a fair guess that as or transport milk great distances from areas of high production especially in the west of a lightning inspection of the England where it has no factories.

I find it ironical to reflect that a year. I find it ironical to reflect that a year. Intervention, and other etocks there was a period soon after the last war when I, with other of butter in Britain alone are dairy farmers, was trying to per-suade the Milk Board, through the NFU, to seize as much as it could of the manufacturing market. We were egged on by the late Sydney Foster, the Board'a first general manager whose main aim in life was the rationalisation of the milk as far as milk products are con-industry from the cow to the cerned the British farmer bas consumer.

Our crusade was a failure. Politically it was ont of court the Minister of Agriculture to because of the threat of the smallest cowkeeper ex-monopoly power. Also in the presses the least understanding late 1940s ro one in their wildest dreams would have forecast a dairy products surplus is common to all, and the fact that dairy products Instead, every

are now the major consumer of British milk output. Why invest good money, we were asked, in facilities for which there was only a demand at peak pro-Even if the Milk Board take-

over was inevitable, the eupboria which it seems to bave cost £120 for such of the Comgenerated among some farmers . munity's 25m dairy cows.

# Christmas turkey prices expected to rise 10%

### BY OUR COMMODITIES EDITOR

OVEN-READY turkey prices virtually unchanged by compethis Christmas are expected to rise by over 10 per cent-after to attract customers. a standstill last year-according to estimates by Midland Poultry Holdings.

Early sales for the Christmae trade, already being put aside in cold store, are reported to have baen made at around 50p a pound—some 5p above last improved efficiency. year's level.

It is thought that now the notably Easter, but the largest 50p a pound mark bas definitely potential area for future expanbeen breached, retailers may sion is helieved to be turkey be encouraged to raise their profit margins this year to more realistic levels. Last year ovenprocessed meats and products, ranging from portions to roasting joints, to turkey roll and ready turkey prices were kept

Overall, the market for milk and milk products is shrinking, in Ghana it could cease to be inflation bites, boosehold spendgrown commercially in aoother ing on food could suffer still 10 years, according to Mr. more. Yet milk production in the Common Market, including Britain, is rising by 5 per cent Board.

But provided there was immediate Government ection, he felt production could be now 56,000 tonnes and the total maintaiged at the present level Community hutter "mountain" of 250.000 tons a year. So far, will soon reach 500,000 tonnes. he said, "a small beginning has Economically this is a frightbeen made. But it is only a ening picture, yet oo ooe in the industry will admit it. Instead, the line seems to be that as verv small heginning." His statement underlines the concern within Ghana'a cocoa long as Britain is a deficit area industry at the way production has declined over the past decade. During that time Ghaoa a right to supply bls domestic market. In fact, no one from to being third after Brazil and Ivor Coast.

that a common market means what it says and that a surplus 1959. The reasons for the decline Instead, everyone is being are many and complex. Mr.

urged to produce regardless of Pianim claims that development the coosequences as long as the of Ghana's urban sector had been made at the expense of Community foots the bill. All European farmers bave the the rural areas, especially the cocha farmers. "It is looked on same understanding that no solution is possible until the as the fat cow which cao always be snuezed," be said. taxpayer cuts the open-ended guarantee which this year will

Yet cocos is essential to the well-being of the Ghanaian, rot each year. But for long-term economy. It aecounts for 70 per cent of foreign exchange earnings and 36 per cent of for a number of years. Government revenue. This year Why bas Ghana's biggest there is little incentive to bread-winner been neglected for replant. Nearly 60 per cent of the trees are more than 25 minutes the trees are more the trees are more th brice by Ghana's three-figure inflation. Even though the price tition among leading retailers using turkeys as a loss leader paid to the farmer by the Marketing Board was doubled in last year's budget to 2.266 cedis per tonne (about £470). Turkey producers are facing the farmer's income in real substantial rises in the cost of terms is almost balf what be received in 1975. feed, labour and energy, but the industry feel; it can continue to offste these cost rises by

### Shrinking

However, the industry has gradually pushed up sales of turkeys for other occasions, The shrinking producer price is responsible for many of the other ills which have affected cocoa production. Smuggling to "bard" currency areas the across the border, Ivory Coast and Togo, bas proved increasingly attractive to the and farmers. Just as important as the convertible currency is the shortfall in both.

PRICE CHANGES

UNLESS ACTION is taken soon fact that they can buy the to encourage cocoa production consumer items, scarce in Ghana, and take them home. The Board estimates that smuggling bas been cut from Kwame Pianim, chief executive 35,000 tonnes last year to only of the Ghana Cocoa Marketing 18,000 tonnes this year because of tighter horder patrols. But

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**GHANAIAN AGRICULTURE** 

unofficial estimates put last year's total as high as 45,000 tonnes. Certainly, the clean-up cam-

Urgent need to give

cocoa farmers more

BY MARK WEBSTER, RECENTLY IN ACCRA

palgn of the new Government haa made a considerable difference to smuggling. The former head of the border guard was one of the first to be executed by the new regime. The campaign and the deter-mination of the military to keep food prices at their controlled has slipoed from being the level should slip slow down the world's biggest cocca producer drift away from cocca farming into food crops. While food prices were rising it was far This year's barvest of 250.000 mor profitable for the farmer to

tannes will be the lowest aince leave his cocoa crop and concentrate oo producing foodstuffs for sale in the local markets. But Mr. Pianim feels that only a higher producer price will encourage the farmer to invest in the future. Farmers could then easily step up current production to nearly 400,000 tonnes aince it is estimated some 100.000 tonnes of cocoa at present is left in the fields to

expansion the farmer would have to be guaranteed a good return The need to invest is under-

been properly maintained for a number of years decreasing their resistance to disease.

### Low yields

yield on average only 300 lbs to the acre while Ivory Coast pro- expected completion of an duces 600 to 800 lbs per acre and Brazil can boast up to 1,000 lbs per acre in some areas. Moreover, even when the far- Alpine, which belped dev mer is interested in protecting Braziliao Alcogas, he said. his crop be bas diffculty getting the right inputs. Although the Board eays there is no shortage of sprays and spraying machines, the Cocoa Farmers Committee eays there is a considerable alcohol. Reuter

the fields. With the sverage age of farmers iocreasing, extra labour has become more and more important. But the migrant workers, who used to cross the border from Upper Volta, now work on the farms in the Ivory Coast following Ghaoa Govern-meot measures to discousage alien" labonr. Mr. Pianim sald the Government was at last trying to

Farmers also have trouble

finding manual labour to work

tackle some of the problems. For instance, the droughts which hit Ghana after 1974 forced many farmers into the hands of money lenders. Because of very high ioterest rates demanded the farmers been morigaging their have crop in order to keep up their paymentr

The Government believes that by encouraging lending to the farmers to huy their own forms back there will be an added iocentive to grow more. Commercial banks are also being encouraged to lend more to the cocoa farmers.

There are two replacing schemes going oo with finance from the World Bank. One is a three year replanting project in the Ashanti district. costing \$14m. The second, an rehabilitation and replanting scheme in the Eastern regions will coat around \$8.5m.

# Philippines

for the production of alcohol, from sugar cane and blending into petrol to make alcoge automotive fuel has been set fot As a result, productivity is 1981. an Energy Ministry very low. Ghana's cocoa trees spokesman said here yesterday. The date was set following agreement on technological and hetween the Philippines and ther Austrian state-owned Voest Alpine, which belped develop Two sugar mills, one northern Philippines and the. other in central Philippines. would initially produce about 125,000 litres of the anhydrous

### AMERICAN MARKETS

# NEW YORK, July 18. Oct. 33.60, Dec. 34.85-34.82, Feb. 36.32 THE PRECIOUS metals markets con-tinue to generate buying interest on dellar weakness and continued U.S. Sales: 7,394. political uncertainties. Commission 21.05 bid, July 41.65, Aug. 33.65 esked. the statemeta statem

BRITISH COMMODITY MARKETS BASE METALS Aftar. Spienling at £5,700 lorward metal matal loat ground to close the fate (U.S. cents per pound): Osly prices full to £0,650 before recovering to close /karb at £495. Turnovar 6,150 lonnee. Matal Exchange with the merket in, the late in Morning Covering against months £506, 27, 28, three prices for July 18 15-day average fuenced by the continuing formess raily teffecting Covering against months £506, 5, 4, 4, 2, 3, 4, 6, 7, 152.727 (152.822), 22-day average of stating. Forward metal opened physical demand. Turnover 2,846 Kerb: three months £506, 5, 6, Aftar. 153.63c (154.14c).

SOYABEAN MEAL The London marker opened with small losses encouraged by stronger

In tonnes unless otherwise stated.

sets alcogas target date MANHLA-The starting date

Suenced by the continuing Graness rally teflecting covering sgeinst of sterling: Forward metal opened physical demend. Tumover 2,845	months 1508, 5, 4, 3, 4, 2, 3; 4, 6, 7. Kerb: Inres months 1506, 5, 6, After-	152,27c (152,82c), 22-day average 153,63c (154,14c).	small losses encouraged by stronger sterling, reported T. G. Raddicks.	1	political uncertainties. Commission House liquidation was the primery	
around £210 but quickly eased to £204 tonnes. In feirly active trading bolising reflying, to £238. In the afternoon & disappoint. TIN Official - Unofficial -	noon; three months 1503, 2, 3, 1, 1,5, 2, 7, Kerb; three months £498, 57, 98, 99, 98, 96;	COFFEE	Prices soon steadled as consumer buying picked up. Further support came from short covering and apecula-	July 12 + pr 1979 - 200	feature in a lower copoer market. Alter early weakness, the livestock	March 3313.3314. May 3342. July 335
log politing on Comex stormated . 114 Official - Unofficial -	ZINC -Marginally easier on currency considerationa. Forward matel moved	Robustas opened shatply higher fol- lowing lurther Arazilian weather scarae	tive interest. The market finished with moderate gains.		merketa firmed toward tha close on general Commission House short- covering as producers became relucton1	953.0-954.0, Oec. 957.5-968.S, Feb., 982.0, April 995.0, Juna 1007.5, Avg
kerb; Tornover 16,275 tonnes. 5 months 235-30 -37.5 0755-50 -57.5	in line: with copper and lead with lowerd metal opening at £319 and	reported Oraxel. However, the market soon declined rapidly under the con- steat selling pressure from various	Ysst'rd'y for Guiness Close - Done	Katals Aluminium	sollars in a lower cash market. The grain markets showed a firmar tons	1020.0, Oct. 1033.0, Oec. 1046.0, Feb. 1059.0, April 1073.S, Juna 1086.5, Aug.
COPPER Official - Unofficial - Stardard 6940.60 -77.5 6985.40 -217	moving up to 5325 below saving to close the late kerb at £320. Turnover 4,550 tonnes.	sources and initial gains were greatly pared as values fell below the previous	Epertonne	Capper	and there was a general lack of salling pressure due to firm cash markets and higher precious metals. Cocos was	1099.S, Oct. 1112.S, Osc. 1126.0, Føb. 1139.5, April 1153.0, June 1167.0,   Soyabean Meal-July 207.00-208.00
£ £ £ 5 months 0705-10 -75 0725-8 41.5	ZINC Official - Unofficial -	closing leval. The market theo main- tained a steady note for elmost the duration of the effermoon, but local	August	S mth	primarily influenced in terms of the	(204.70), Aug. 207.50-207.00 1204.801, Sapi. 207.80-207.50, 0 ct. 207.50-207.00,
Cash 785.5.6 -10 778.5.9.0 -19.7 Straits E #1950 +4	ELE E	profit-taking on the closing pushed prices lower and values were finally	December - 125.98-24.0 + 1.05 124.50-22.19 February	Gold trey or \$301.070 + 3.6 \$280.37	toward the close with a general lack of adling interest. Sugar came under pressure from Commission House	Oec. 28.50-208.00, Jan. 209.00-209.50, March 210.50-210.00, May 210.60-210.00, July 209.50-209.80.
Settlem't 796 -18 - Moming: Standard cash £6,940, 50,	Cash 317-8 -1.5 514-8 -3.5 5 months 324.5.5 + 5 620-1 -4.75	+E17 to -E30 from yesterday.	April	3 mth	liquidation, while cotton fall sharply es Commission Nouse salling triggared	Sovahean Oil - July 29.80.29.90
0 months 789-5 -8.25 7824 -14 on 31 Alternoot: Standard three	S'mont   e1a - 2	COFFEE Close + or Business Spartonnel	Seles: 96 (92).	Fraamktichf(ib) 200/300c	atop-losa asiling, Heinold recorted. Potatoes (round whites)-Nov. 70.5	(29 581, Aug. 28.80-28.76 (28.97), Sept. 28.50-28.55, Oct. 28.15-28.10, Dec. 27.70-27.75, Jen. 27.65-27.60, March 27.60, Mey 27.55-27.60, July 27.65, Aug.
u.s. Smt dard three months £6,720, 30, 20.	Moreing: cash £317, three months £318, 19, 21, 23.5, 24, 25, Karb: three months £325, Afternoon; three months	July	SUGAR	Free mkt £182.85 -1.85.2200.10 Gulokali ver	(70.9), March 95.5 (93.6), April 115.3, May 129.8,	27.50-27.40. \$Soyabsans—July 781 (774), Aug. 784-782 (776-4), Sept. 776-775, Nov.
	5324, 23, 22, 21, Karb: three roontha 5320, 22, 21, 20,	September 1270-72	£39.0 (£101.0) a tonna cil lor July-Sapt. chrpment. White augar daily price	Silver troy oz 417.50p + 1.5 401.05p 3 months 400.05p +1.5 410.85p	15//wer-Joly 937.5 (937.5), Aug. 941.5 (941.6), Sept. 945.0, Osc. 971.3, Jan. 977.7, March 990.0, May 1003.5.	767-763, Jan. 775-774, Merch 786, May 1 791-792, July 751,
Cathodes cash £764, 5, 5, three months a.m. + or p.m. + or	athar matals. Forward metst lell to	March	W3 295.0 (197.0). Although first toxides wars around	Tin cash	July 1016.4, Sapt. 1029.3, Oec. 1048.3, Jan. 1054.8, Merch 1067.7. May 1080.6. Hendy and Harman bullion spot 931.0	1Wheat-July 450-451 (4451, Sept. 455-454 (452r <sub>2</sub> ), Oec. 456-465, Merch 471, May 471, July 441.
15.2, 1.5, 1.5 200.5, 2.1.5, 2, 1.2, 2 months £303, 2, 4, 2, 1.5, 2, 1, 2, 2 1.5, 2, 1.5, 1, 200.5, Cathodas cath Cash	£654 in the morning before recovering to £658 on short covering. However, the market dipped stresh in the ster-	July	avamight levels prices quickly gave way with the decline led by the prompt August position. By mid-day losses of	Wolfrm 22.64 off \$150 143	(937.80). Tin-710.0-725.0 asked (710.725.0).	All cents per pound ar-warehouse unless otherwise stated. "S per troy
760, three months 5764, Kerb: Wire- 5 months 567-8 -16 .500-1 -18 bars darge growths 5300, 1, 800.5, 1. e'ment - 828 -19	noon with forward restal finally £552 on the late kirb. Turnover 4,175 ronnes.	<ul> <li>Salas: 11.396 (12,475).</li> <li>ICS indicator prices for July 17 (U.S.</li> </ul>	soma 100 points had been recorded and later with sasier New York levels further losses of 100 points occurred. Final	S months 2320.6 4.762371.70 Producers 5845	CHICAGO, July 13. Lard-Chicago loosa 25.75 nom.	ounce. 1 Cenis par troy ounca tt Cante per 56-16 bushal. 1 Centa
Tith Lower reflecting the strength of	Aluman m - a.m. Hon p.m. Ttor	centa per pound): Other Mild Ambicas 201.33 (199.33). Robustes ICA - 1976 194.0 (192.0). ICA 1968 194.25 (192.5).	sucrations ware the lows of the day	Dils Coconst 1Phil). £1,140	27.25 nom	per 60-16 bushel. IS per short ton 12,000 Iba). § SCon. per matric ton. §§ S per 1,000 so. feet. ‡ Canta per .
manby supply situation, the latter helped by short covaring and the	Official Unoffici7 -	Colombian Mild Arabicas 203.0 (205.0). Unwashed Arabicas 204.0 (198.0).	Pref. Yester. Previous Business	Linseed Crude, 2400	Live Hogs-July 40.00-39.95 139.57- 29.97), Aug. 36.20-36.25 (38.05-36.22),	1
	Spot 657-911 - 652-412 O months 657-811 652-512	Comp. dally ICA 1958 201.14 (197.56).	Con., Close Done	Seeds Coors Philip \$740 +10 \$718.0	Wednesday's	
29 Lamont Road London SWIG OHS.	Monthing; tinte manthe 1858, 57, 55,	GRAINS The market opened unchanged and	£ per tonne Aug 104.25-04.35 107.50-97.55 107.10-04.25	Soyabsan (U.S.) \$58.15t +19.55 \$27.90	NEW YORK, July 17. "Gold-July 298.50 (296.00), Aug. 299.00 (297.00), Saot. 301.20, Oct.	Coffae—" C " Contract: July 201.75 . (198.94), Sapt. 204,50-205.00 (203.26), Osc. 201.00-203.90, March 196.00-197.00, .
The trading on commodity futures.	57. Kerb: cash D538, three months D557, 58. Anteinoon: three months D553, 52. Kerb: since months D551, 50, 51.	moved up to 15 points higher where good hadge selling was noted. A lack	Oct 106.45-06.45/105.05-09.19 109.40-06.49 Oct 110.40-10.55/112.60-12.55 112.45-10.89 Merch., 117.25-17.49 118.50-19.89 118.40-17.25	Barley Futures 291.30 -0.19-292.10 Maize	304.50, Dec. 310.10, Feb, 315.40, April 320.70, June 325.00, Aug. 331.20, Oct. 335.30, Occ. 341.30, Fab. 346.20, April	May 190,50-194,00, July 189,25-789,99,
	NICEE Higher as strong boying and short covering took forward metal up	of buyers and a general lack of interest pervaded the market and values closed between unchanged to 20 lower with	May 120.00 27.20 122.50 12.55 122.25 20.00 Aug	No. 1 Red Spg. £27.76	351.10.	Sovabean Oil - July 23.55-29 60
CORAL INDEX: Close 469-474	from £2,575 to the day's high of £2,610 before to close, on the late kerb of	turther spot pressure noted, reported Acti.	Sales: 3,070 (2,063) lota of 50 tonnes.	NoaHardWint_298.6p	Copper-July 21.00 (80.65), Aug. S1.10 (80.70), Sept. 91.20, Osc. 91.85,	(28 421, Aug. 28.85-38.90 (27.95), Seot. 28.55-28.69, Oct. 28 25-38.20, Oec.
	E2.800; Tumover 498 panes.	WHEAT . A BARLEY	Tate and Lyle ax-refinery price for granulated basis white sugar was £297.55 (sama) a tonna for home trade	Other commodifies Cocces shrp't 21,022 -20 £1,752	July 82.70, Sapt. 82.85, Dec. 53.00, Jan. 83.05, Merch 83.15, May 83.25.	27.85-27.90, Jan. 27.95, March 27.85, Mev 27.85, July 27.85, Aug. 27.75- 27.80.
INSURANCE BASE RATES	MCKEL a.m. + or p.m. + or Official - Unofficial -	Math close - close -	and £171.50 (£172.0) for export. International Sugar Agreement [U.S.	Future Sept. £1,418 -20 £1,640 ColleeF't'rSep £1,871 -11 £1,960.6		KETC
t Vanbruzh Goaranteed 111%	Spot	Sept. 91.30 -0.35 27.15 -0.2 Nov. 95.40 -0.35 91.50 -0.1 Jan 92.55	cants per pound lob and stawed Carbbean port. Price for July 17: Daily price 8.87 (2.60]: IS-day evenage	Cotton A Indax 76.50c	EUROPEAN MAR	
1 Broperty Growth 111%	3 months 3610-5 -51.5 2580-5 -+11.5	Jan 92.55	8.52 (a.59). WHITE SUGAR-Close (in order,	Wpoltp'a 54s ki   607p	whest, 13,5 per cent, Aug. 5205. U.S.	Arazil Yellow FAQ unquoted. Argen- tina July \$310.50 traded, July \$312.50 sellers, Aug. \$313.50 sellers, Aug. \$313
	Moming: three-moaths £2,575, 80, 90, 2,600, 05, 10, Aftermoon: three mosths \$2,600, 05, 10, Aftermoon: three	Susiness done-Wheat: Sept. 91.45- 91.30, Nov. 95.60-95.40, Jan. 96.55-	buyer, seller, business, seles). Sept. 97.75, 98.50, 99.0-98.00, 80; Nov: 102.50, 103.00, 104.00-103.50, 90; Feb. 111.50,	Nominel, † New crop. ‡ Unevotod in tonnas, unlass otherwise stated, p August. # July-Aug. I Sept. w Sept.	Hard Winter wheat ordinary unquoted. U.S. No. 2 Rad Winter wheat Aug. S198. Sept. \$193.50. U.S. No. 2	buyers. Soyameel—44 per cant protein U.S. July \$243, Aug. \$249, Sept. \$253, Nov
	months (2,590, 60, 70, 80, 85, Kerk; three months (2,590, 95, Cents per pound. \$ SM per picel.	S5.55. March 102.85-102.80. May 106.45- 105.30. Seles: 69. Barley: Sept. 87.35- 97.15. Nov. 91.40.91.25. Jan. 95.50-	112.50, 113.00, 85; April 116.50, 117.00, 117.50, 5; July 118.50, 121.50, nil, nil;	Oct. x Pct. y Nov. z Indicetor, § auyer.	Nortkam Spring whast, 14 per cent, July \$205, Aug. \$202, Sept. \$203.50, Oct. \$206.50, Nov. \$208.	March \$259. Arazil Pollota offoat \$245, July \$248.50, Aug. \$256, Sept. \$260, Oct. \$266, Nov. \$269.
COMPANY NOTICES	t Da previous anoficial close.	87.15, Nov. 91.40.91.25, Jan. 95.50- 95.40, March 98.85-98.70, May 102.10- 101.25, Sales: 83.	Sapt. 121.00, 127.00, nfl, nil; Nov. 124.00, 130.00, nil, nil, Salag: 280.	39.0 to 43.0. Veal: English late 65.0 to	Maize-U.S. No. 3 Corn Yallow effort \$153, July \$153.50, Aug. \$155, Sept.	PARIS, July 19. Cocce (FFr per 100 kilos)-July 1360-
	SILVER Silver was fixed 1.6p an ounce higher	HGCA-Location ex-larm apot pricea. Feed barley: Shropshira 90.20.	WOOL FUTURES	72.0; Outeh hinds and ends 90.0 to 95.0. Lamb: English smell 80.0 to 68.0,	\$156, Oct. \$159.50, DctDec. \$159.50, JanMarch \$169.	1410, Sept. 1390-1410, Oec. 1420-1430 March 1475-1490, Moy 1495, July 1470.
	for spot delivery to the London bullion merker, ventariday at 417.650, U.S.	The UK Monetary Coefficient for the week beginning July 23 is expected to	huver seller business sales i lilionen	medium 80.0 to 64.0. Imperted frozen; NZ PL 49.5 to 51.0, PM 49.0 to 50.0. Pork; English, under 100 lb 35.0 to	Soyabeans-U.S. 2 Yellow Gullports Aug. \$328, Sept. \$326, Oct. \$316.50, Nov. \$315.50 Dec. \$319, Jan. \$321.50.	Sugar (FFr par 100 kiloa)-Oct. 956-
EWISH COLONIAL INCOME Westing, being the NOTICE IS HEREAY GIVEN that the Annual General Meeting, being the NOTICE IS HEREAY GIVEN that the Annual General Meeting, being the	cant. equivalants of the fixing levels - ware: spot 956.4C, up 18.3C; three- month 977.7c, up 15.8C; sig-month	IMPORTED-Wheat CWRS No. 1. 132	Dec. 405.5. 406.5. 407.5-405.5. 41:	44.0, 100-120 ib 35.0 to 43.0, 120-180 ib 34.5 to 42.0.	Nov. \$315.50, Dec. \$319, Jan. \$321.50, Fab. \$325, March \$326.50, April \$328, May \$328,50, June \$329. July \$329.50	March 1095-1108, May 1110-1140, July 1135-1155, Aug. 1145-1165, Oct. 1165-
Bank Lempi Le-Israel B.M., Tel Avis, on 7eesday, 16th Adgust. 1979, at Bank Lempi Le-Israel B.M., Tel Avis, on 7eesday, 16th Adgust for the 11.60 a.m. to receive and consider the lisectors, to fix the remuneration of	000 304	per cant, unquoted. U.S. Oark Northam Spring No. 2, 14 per cant, July 97,75, Aug. 97.50, Sept. 98.50,	March 414.0, 415.0, 414.0-413.0, 63; May 417.0, 418.0, 417.0-416.0, 38; July 418.0,	MEAT COMMISSION - Average let- etock prices at representative markets	sellere, Oct. \$315, Nov. \$312.50 traded.	1185. Seles 7.
the Anditors, and to remact any other husiness of the Company required to the Anditors, and to remact any other husiness with Article 142 and 185	1,033,30, up 15.5c. The metal opened at 4109-415% (951-953c) and closed at 4109-411% (937-839c).	transhimment East Cocat. U.S. Hard	420.0, 419.5-415.5, 26; Oct. 419.0, 415.5, 419.0-415.0, 5; Oec. 421.5, 422.5, 422.5- 422.0, 6. Seles 230.	on July 19. G8 centia 91.88p per kg.l.w, (-3.02). UK sheep 143.5p per kg.est.	INDICES	DOW JONES
JEWISH COLONIAL TRUST LIMITED NOTICE IS HEREAY GIVEN that the Annual General Menting, being the Back Lemmi Levisrat and Meeting of this Company. will be held at the offices of Back Lemmi Levisrat and consider the Directors' Report and Accounts for the 11.40 a.s. to receive and consider the Directors' Report and Accounts for the very ended 31st Decomber, 1978, to elect Directors' to for the remuneration of the Auditors, and to Decomber, 1978, to elect Directors to for the following be deal with at such meeting. As for the election set any other husiness of the Company required to of the Company such meeting. As for the election set of Okectors—Io accordance with Article 142 and 185 of the Company such meeting. Resolution will be proposed for approval by the abart-mentional General Meeting. That MC P. Byton proval by the abart-mention all following years of ask, be and is hered and your is entitled to appoint a proxy to A member suitied to stand and your present and the company. Company.	SILVER Bullion + or LM.E. + or	Winter, 13's per cent, Aug. 99.50, transbipment, East Coest. EEC un- gooted. Make: U.S./French July 107, Aug. 108, transhipmant East Coast.	LONDON-Clost (m order, buyer, sailer, only). July 218.0, 228.0; Det.	d.c.w. (-7.2). G2 Pigs 59.9p per ts.i.w. (-1.4). England and Wales; Cattle numbers down 6.9 per cent,	FINANCIAL TIMES	Dow July July Menth Year Jones, 17 16 ago ago
That Mc P. Evion, a Director restored as a Director of the Company." years of age, be and is hereby re-elected as a Director of the Company to a member emitting to stitend and yota is emitting to appoint a proxy to	troy oz. ; price :	S. African White unquoted. S. African Yellow Aug. 82.00 nom. Berley; English	213.0, 233.0: Osc. 218.0, 238.0; March, May, July Oct., Dec. 228.0, 238.0.	avarage price 90.48p (~3.34); sheep numbers down 9.9 per cent, average	July 17 July 16 M'nth ago Year ago	apot 409.55 407,56 414.15 551.27 F'tur's 422.82,419.26 424,90 335.75
Cumpany, By Order of the Board. A. Dorna	Spot 417.65p +1.8 410.20p -3.0 3 months 430.05p +1.5 422.85p -3.7	Feed lob Aug. 89.00, Sept. 89.75, South Coast, OctDec. 92.50-93.00, Jan	NEW ZEALAND CROSSAREDS-Close (in order buyer, seller, only), July	price 143.5p (-7.3); pig numbers up 2.7 per cent, average price 60.0p	287.06 285.68 226.58 255.54 (Base: July 1, 1952-100)	(Average 1924-25-25=100)
L Shabape II	0 months 441.05p +15	March 99.50-100.00, East Coast. Sorghum: U.S./Argentics Unounted. Oats: Scandinavien feed unquoted.	162.0, 178.0; Oct. 175.0, 184.0; Dec. 175.0, 184.0; Merch 181.0, 190.0; Mey.	(-1.3). Scotland: Cattle numbers down 11.4 per cent, average price 85.65p (-1.97); shaep numbers up 74.2 per		REUTERS
4-7 Woodstock Street. Losdan, WTA 2AF. 19th Joly, 1979	LME-Tereover 152 (151) lots of	RUBBER		cent. avarage price 144.1p (-3.2); pig numbers up 24 par cent, average price	MOODY'S July 17July 15 Minth ago Year ago	July 18July 17 Minth ago Year ago
	LME-Terreover 152 (151) lots of 10,000 czs. Morning: Cash 416.8, 6.5; three months 431.5, 1.2, 1.1, 30, 29.5.		UVERPOOL-Spot and ehipment sales emounted to 525 tonnes," bringing the	52.1p (-11.7). COVENT GARDEN-Prices in sterling	1085.6 1085.9 1094.6 \$11.0	1561.4 1561.3 1629.6 . 1418.4 :
SOCIETE D'ELECTRICITE (SODEC) Societe anonyme in Figuidation Registered Others 103 Grand Rus. INTERIM STATEMENT	Artes Indiana 431.3, 12, 11, 30, 203, Montha 429,5, 98, 99, Aftartacont Three months 429,5, 28, 99, Aftartacont Three months 423,3, 25, 24, 45, 4,9, 4,5, 4,3, 23, 25, 29, 28, Kerb: Three months 422, 25, 23, 22, 1.7, 1.9, 1.5.	unchanged. Little Interest throughout the day, closing on a quiet note. Lewis	amounted to 5.2 tonnes, bringing the total for the week so far to 993 tonnes. Mora animation was evident with con-	per peckage except where otherwise etsted: Imported Produce: Oranges-	(Oecember 31, 1931=100)	(6sse: September 16, 1931-100)
Besterred Office: 103. Grand Run. Lynembourg Companies Resistor No. 8.1471 The unsudited results for the sit months The unsudited results for the sit months	4.5, 4.3, 23, 25, 29, 28, Karb: Three months, 422, 25, 73, 22, 17, 19, 15,	and Peat reported a Malaysian godown price of 287.0 (285.5) cents a kilo (buyer, August).	siderable prassura for supplies from usera. Interest ranged over a number	S. Atrican: Nevela 4.60-6.30; Arazillan: 6.20-5.50; Californian: 7.20-7.50, Lemona —Italian: 100/120a 5.90; Spania: trays	2.00-3.00, Geviates 2.50-2.80, Aurbank	English Produce: Potatoes-New crop
Companies Realister No. 8,3471 NOTICE IS NEREBY GIVEN that a General Meeting of Shareholders will be heiz on Frour, 277b Jely 1978, at 11:00 e.m. et Hotel Kons, 24 Place de la Gard, Luxenboard, and the follower will be at heast as good as these of the Gard, Luxenboard, and the follower will be at heast as good as these of the	COCOA		-1	30/40/45 2.50-2.80; Jene: Summer erap 4.00-5.20. Grapefruit-S. Alrican: 32/64	2.40-2.50; Italian; per pound Florantia 0.13; Gurbank 0.171-0.20, Grapes- Cypriol: Cardinal per pound 0.25-0.30,	round 1.40-1.50, Cos 1.60, Webb's 1.40, Mushrooms — pat pound 0.40-0.50
tachers and the second	Initially steadier on short covering,	No. 1. Yestero'ya Previouel Ausiness E.S.S.   Close   Close   Dona	t GRIMSAY FISH-Supply good, demand	3.60-5.10; Jemaican: 27/56s 4.20-6.00, Apples—S. Alrican: Granny Smith 6.50-	Sultans/Thompson 0.30-0.40. Peeches-	Apples—per pound gramley 0.05-0-53 Rhubarb—per pound outdoor 0.04
Gero, Luxemboary. AGENDA Report of The "College" of Liquidators Report of The "College" of Liquidators antida House.	levels eased sharply during the late sitemoon and closed at the lows of the dey, reported Gill and Duffos.	Aug		7.20, White Winter Peermain 2.80-3.00, Starking, 3.50-4.50, Yorks 5.30-5.00, Goldan Celicious 5.00-5.50; New Zoe-	2.40. As 3.00-3.20; French: C/Bs 1.60- 2.00. Nectorines-Itelian: O/As 4.00-	Tomatoes—ver 12 lb 1.60-2 00. Cucum- bars—trays 9/18s 1.20-1.60. prepack
Report of The "College" of Lighthatter os the progress of the Ilguidston. In accordance with Arsole 30 of the In accordance with Arsole 30 of the Concary's Sy-Laws, Shareholders withing	Yesterd'y's + or Basipess	Sapt	dock £4.50, medium £3.70-£4.60, email	Golden Gelicious 5.00-5.50; New Zee- lend: Red Cougherty 7.20-7.50, Grenny Smith 7.20-7.50, Sturmers 9.20-8.50,	7.00. Apricots-Spenish: 2.00-3.29: Hungetien: 3.00. Bananas-Jamaidan: per 26 4b 2.80. Avocados-S. Alrican:	2.00-2.20. Cauliflowers-per 12 Lincoln 2.00-2.20. Celery-per box 12/30s 1 50. 1.60. large certons 24 3.00. Straw-
NOTICE IS MEETERY GIVEN that a General Meeting of Shareholders will be tating on Friday. 27th july 1978, at 11:00 a.r. at Hoks Kons. 24 Place de la Gara. Luxembours. Dashe progress. Dashe pr	COCOA Close — Done	JAT-Mar 64.50-54.75 65.20-55.25 55.10-56.40	£1.30-£2.50; large pleice £4.80, medium	Delicious 6.40; Teamanian: Sturmer Pip- nina 5.40-6.00 Crotten 5.40-7.00-	9720 10 2.80. Avocados-5. Alrican; 4.00-4.20. Metons-Spanish; small Itavs, 97390 3.00. Yallow Moneydew 10-kilos	berries-per 1/2 15 0.15-0.25. Goose- berries-per pound 0.16. Levellers
t the latest, it and of the banks as and PROPERTY	Septements and the second at the second	Jy-Sept 53.10-55.30 84.10-55.15 85.65 Oct-Deo 71.46-71.45 70.40-70.45 71.70-70.70 Jan-Man 73.00-74.19 72.53-72.76 74.15-73.88	doglish (large) £2.00, medium £6.50; femon solas (large) £5.50, medium £5.70; rocklish £1.50-£2.19; saiths	Granny Smith C.OD; Victorian: Granny Smith 7.40, Comporets 7.60; W,	O/11a 2.50-3 58. Watermelons-Spenish. Grask: per box 4/6s 2 co.2 50 Onions-	0.20-0.25. Cherries—per pound 0.35. 9 40. Peas—per pound 0.0793 (A
Farsunges. 18 London: Los. 4 Cistonsparte, EC2. Basque Belge Los. 4 Cistonsparte, EC2.		Jan-Man 7.8.00-74.10 72.50-72.10 74.19-74.00 Apr-Jae 75.85-78.18 75.18-76.15 76.18-76.05 Sales: 451 (580) et 15 toanes and	12,70-12.90.	Australian: Growny Smith 748; French: Golden Delleinus 72s 2 07-2.20, 84s 1.90-2.00, jumhla pack per normal 0 PS-	Soanish: 4.80-S.80; Maitesa: 5.00-5 50 Tomatoes-Jarsey: per tray 1.20-5	arosed beans-par pound 0.97 Bunner beans-par pound ground 0.25. Onions
Barclars sand in the Storet EC4. 152 Upper Themed Storet EC4. Midtand Bank Limited, Oversess Drawfi, MORTH YORKSHIRE, A store-built I country house of 9 bedroams. 3 bath- Doubry house of 9 bedroams. 3 bath- Country ho	1407.1120	23 at 5 tonnts.	MEAT/VEGETABLES	1.06: Ineliant Roma Results C 08 Damo.	Outch: 7 24: Guernsey: 1 57.7 40 (tab. hang - Durn: Vibite set 6 - 6 24 Permena - Parint: 7 80, Jerren - 151	par ben 2.3-2.40. Marrows-par ben 2.3-2.40. Marrows-par 18a
is London Balos Ling. 4 Cishonsente, EC2. Basque Balos Ling. 4 Cishonsente, EC2. Basques Bank intermitional Limited. Basques Bank intermitional Limited. Basques Bank intermitional Constants Granch. Miditand Sank Lington. Go Grancherch Street. J. Henry Schnotter Wichig & Co., Limited. J. Henry Schnotter Wichig & Co., Limited. I 20 Clausific. EC2. Froeles mist be grootsked at the Rogistered Office by 23rd July 1979 at Septeme Office by 23rd July 1979 at Septeme	Sales: 3.342 (4,705)	Provided a starting prices (buyer) with: Spot 58.0p (55.75p): Aug. 53.0p (82.50p); Sept 53.25p (52.75p).	Scottien killed sides 65.0 to 69.0; Elre hindguertera 80.0 to 84.0, foreguertere	Limonares 0.15; French: Guvotta 28 Ib 4,50-4,50. Phume-Spenish; Cente Rose	pound 0 05%. Capsicums-Dutch: 2.80: Italian: 2.50.	1.50. Responsion-per & Ib 0.10-0.12 Gleck/Red Currents-per > Ib 0.20-0.25
Provies must be zard july targ at years. Apply antite tort. (C904) SS894.	International Cocoa Organisation					1
					ر به مدر بن بندو برومهما ا	
						ſ

### **Companies and Markets**

40

FINANCIAL TIMES STOCK INDICES

July July July July 18 17 16 15

Gold Mines(Ex 5 pm) 158.9 154.6 145.6 146.1 148.3 147.5 109.2

6.60 6.67

10 sm 477.5; 11 sm 476.3; Noon 475.4; 1 pm 475.6; 2 pm 476.6; 3 pm 475.5; Latest Index; 01-245.8026; 4 Nil=7.13;

1/7/35. Gold Miless 12/9/55. Ex premium index eterned Jone 1972

High |...Low

150.4 50.53 (29/11/47) (6/1/75)

49.18

(3/1/75)

Besis 100 Govt. Saca. 16/10/25 Fixed Int. 1928. Industrief - Ded

73.03

478.0 478.0 470.7

73.57

171.0

6.71

18.91

7.44

-Oce 1942

High | Low

75.91

77.75

688.5

HIGHS AND LOWS

64.64 (6/2)

66.03

1979 - Since Compilat's

127.4 (8/1/86)

Government Secs

Fixed interest ....

Ord. Div. Yield .....

Earnings, Yld. % (full)

P/E Ratio (net) (")- ---

Eduity turnover Bm

Equity bargainstotal

SE Activity.

Govt Set

Fixed int

Ind Ord.

Fisher (J.)

Style Shoes

American Ex Barnes Bendix Corp.

Lyle Shipping

SOR

interatrial ......

78.44 72.54

171.7 160.6 168.8

74.72 74.25 73.95 74.21 74.66 74.72 71.64

466.6

16.63 16.78 16.92 16.81 15.77 17.25

7.56 7.54 7.48 7.52 7.54 7.74

7627 55.12 69.28 67.80 79.75 76.84

Gilt Edged... Industrials Speculative.

5dyAvro

BUILDINGS (1)

CHEDRICALS (S)

IES (I)

PAPER CU

18,475 11,927 12,545 11,639 12,878 15,372

July Loly A yes

72.90, 72.95, 70.57

469,8 468,5 457.7

166,9 161.8 164.4

6.73 6.70 6.69 5.68

S.E. ACTIVITY

123.6/- 127. 3755 - 37. 67.4 - 85.

125.

134.1 125.0 27.7 85.2

# LONDON STOCK EXCHANGE

16Sp. Audiotronic lost a peony

to 11p on disappointing results,

Firm initially at 367p, GEC

succumbed to scattered selling and closed a penny lower on the

day st 361p. Among secondsry

issues, fresh demand lifted

Aniomated Security 8 further 10

154p, while late interest wss shown in United Scientific which

A few scattered offerings and

lack of fresh support took the Engineering leaders to lower levels. John Brown drifted off

to close S cheaper at 467p and GKN essed 5 to 277p. Elsewb2re.

Birmingham Mint responded streah to the good snnual results

with s further rise of 12 to 175p

further consideration of its deal with the Milk Marketing Board,

adding s penny more to 940, sfter 96p. Up 17 on Tuesday,

Associated Dairies eased 2 to

265p but Rowntree Mackintosh recently depressed by overseas

interest with a rise of 7 to 1S3p.

Unilever slump

husiness with Unigate,

Lesding Foods attracted a good

rose 10 to 335p.

# Sterling inspires another strong advance in Gilts and Golds but revived export worries affect equities

Account Dealing Dates Optinn

\*First Declara- Last Account Dealings tions Dealings Day Jun. 18 Jun. 28 Jun. 29 July 10 Joly 2 July 12 July 13 July 24 July 30 July 26 July 27 Ang. 6 July 30 Aug. 9 Aug. 10 Aug. 20 "New time" dealings may take place from 9.30 am two business days

The soaring pouod sgain dominated stock markets yester-day, Government securities were agein prominent with overseas and domestic investment ensuring another heavy trade aod hrioging fresh gaios of 11 points hefore quotstioos slipped from the day's highest in line with the later reaction in the exchange rate. South Africao Gold shares, too, continued firmly in dollar terms as UK and Contineotal demand was attracted by the latest upsurge in the hullion price.

In contrast, the tone in leading equities became less confident. Recent concern shout oversees earnings returned and was further emphasised hy the remarks of the chairmsn of Courtaulds about the "drastic effect" the rising pound is having on the group's profit msrgins. Potential buyers of leading shares withdrew and on balance of 44 points. occasional selling made quile an impact on selected issues among which ICI fell 9 to 331p. Other losses among constituents of the FT 30-share index were generally smaller, but the index closed 6.0 down at 472.0.

demand, higher and renewed buying soon active with 71 tradea accentuated the underlying stock stock illustrated this by rising to 45 before profit-taking set in and the price came back to 441 for a net gain of only 1. Remaining longs closed with cises ranging to 1; but these were being eroded in dealings after the 3.30 pm official close. A similar tendency et the shorter end of

Mirroring

the market saw some gains erased completely. The late announcement of further steps towards the dis-mantling of exchange controls was responsible for sharp down-ward adjustments in Continental issues such as Royal Dutch aod Unilever NV; hut South African Gold shares were little affected, Awsiting the socouncement regarding a further relaxation in

exchange control regulations, the investment currency market was highly nervous and just before the news the premium fell to 20 per cent. The nature of the proposed alterations consed some confusion hut iste in the evening rates hogsn to steady and the close was 22 per cent for a fall

### Lloyds down

LONDON TRADED OPTIONS

39 22 14

10 23

November

52 131

July

26 6 1

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35 16 7

25

319

s

August

10

Val.

Ex'rc'se Closing price affar

110 280

APPOINTMENTS

Optian

Cons. Gald Cons. Cald Cans. Gold Cons. Gold

Courtaulo

Crand Met. Crand Met.

Land Secs.

Marks & St

Marks & Sp. Marks & Sp. Marks & Sp.

Shell Shell Shell Totals

EMI RTZ Totals

GEC

Ocl-

An improved business in Trsded options resulted in 577 contracts being completed against the previous day's 387. Oil shares attracted the bulk of

j Jan

Closing Closing offer Val. affor Vol.

shortage. The £40-paid Ex- of the half-yearly dividend group report today, Gussies "A" chequer 121 per cent "A" 1999 season which starts tomorrow, touched 382p before closing 4 up yesterday when profit-taking brought reactions ranging to 15. Linyds, the first to report interim figures tomorrow, closed that much lower at 33Sp, while Barclays, 47Sp, and Midland, 370p, cheapened 10 apiece and NatWest declined 7 to 363p, after 360p. Investment currency lnfluences prompted dullness in

overseas issues with ANZ 7 off at 188p and Hong Kong and Shanghai 5 essier at 118p. Discounts, which have been unsettled of 1ste hy Alexander's gloomy interim statement, rallied sympathy with a firm giltedged market and a more fsvourshle half-yearly report from Union; the latter firmed 10 to Sop, after 385p, while Gerrard and National gained 6 to 262p snd Jessel Toynbee put on 4 ta 72p. Elsewbere, speculative demand in s market none too well supplied with stock helped London Scottish Finance rise 6 London Scotnsh Finance rise of to a 1979 high of 5Sp. while im-provements of 3 were seen in P.C. Finance, 68p. and Keyser Ullmann, 61p. Wintruat, at 95p. held on to Tuesday's rise of 10 in front of todsy's results.

Breweries and kindred issues were husler than of late, but closed little changed on the overnight levels. Distillers held at 220p awaiting today's prelimi-nary results with market esti-

earnings worries, picked up 4 to 176p, after 178p. Secondary issues passed a quiet session, but and a good dividend increase. Elsewhere in Distilleries, Sande-William Morrison responded to s certain amount of speculative man dropped 8 to 32p on profit-taking, while Highland eased 4 to 94p, with the new nil-paid giving up 3 to 7p premium after

Building descriptions closed mixed following a quiet day's trading. Magnet and Southerns firmed 10 for a two-day gain of 26 to 198p in response to the excellent annual results and 50 per cent scrip issue and Inter-national Timber added 3 to 119p in sympathy, while Parker Timber put on 4 more to 180p. on the day. Other miscellaneous By contrast, recently firm Derek Industrial leaders slso reacted late and Beecham finished 9 Crouch succumhed to profit-taking and shed 8 to 172p and lower at 535p, Glaxo 7 off st 443p and Bowater S easier at 155p. Elsewhere, Jacksons Bourne End Burnett and Hallamshire gave up 10 to 405p.

fell 13 more to 130p on continu-ing concern about the Inland Collolds firmed 2 more to 106p on consideration of the better-than-expected annual results, Buying ahead of the interim Revenue's investigation into the affairs of the associated Ross-minster. Gestetner "A" declined results due on August 2 helped 7 to 105p after 104p, following Rentokil add 4 to 110p, after 111p, while Yorksbire Chemical the lower interim profits and Wedgwood lost 6 to \$2p on the continued the recent revival with a gain of S to 65p. Stores Leading

Dr. Gerald Thomas has been

dent. Europe, for the semicon-

ductor products group of FAIR-CHILD CAMERA AND INSTRU-

MENT CORPORATION. He will he hased in Finchley, London. Dr. Thomas was formerly

general manager of ITT Semi-

\* Mr. I. G. Cressell has been sppointed chairman of BRUMBY

conductors.

chairman's warning about the turned adverse effects on profits exerted rregular after the previous day's by sterling's strength.

g overnight late the interest. Shell recording 181 firmness which followed details The undertone in Properties Tricoville were again buoyant, bid firmness which followed details The undertone in Properties Tricoville were again buoyant, bid firmness details of buoyant retail sales in June, remained firm, but best levels putting on 4 at 86p, with bid frenewed buying soon active with 71 tradea. Still reflecting Press forecasts of were not always maintained, rumours reviving since Damater Still reflecting Press forecasts of were not always maintained, rumours reviving since Damater of the underlying stock Firm of late on buying shead record annual profits when the Land Securities closed un withdrew its partial offer. The underlying stock Firm of late on buying shead group report today, Gussies "A" where a stand just a penny up at sterling left large overseas the major clearing banks took a on balance at 376p. Elsewhere, 183p, after 184p. Stock Conver-distinct turn for the worse the sharply higher annual profits slow, however put on 8 to 370 and Samnel, on the sale of two German subsidiaries, firmed 6 to snd proposed 100 per cent scrip issue failed to stimulate recent 128p. Buying in limited markets high-filer MFI Furniture and the prompted gains of 5 and 4 respectively in Evans of Leeds, close was 4 lower st 170p, sfter

> while Bambers came on offer at 134p, down 6. H. Samuel "A." Oils give ground however, found support and closed 14 to the good at 254p. Oil shares took a distinct turn

106p, and Regalian, 31p.

for the worse yesterday. Shell, down 32p st 32Sp, were un-settled hy a revival of switching Into Royal Dutch. The letter were being called 34 lower at 132 following news of the further relaxation in exchange controla. Local and lete offerings from the U.S. left British Petroleum 40 down at 1210p. Secondary issues followed in the wake of the leaders, falls of around 10 being marked agsinst Oil Exploration, 320p. and Siehens (UK), 238p. Tricentrol, 222p. and Ultramar, 2000 area un Saplace 292p, gave up 8 apiece.

Shippings continued to make progress, but hoiled over after an early npward flurry and quotstions closed below the dsy's est. Furness Withy ended S higher at 296p. after 301p. and Hunnting Gibson 3 firmer at 285p. after 257p. J. Fisher, 192p, and Lyle, 190p, put on 5 apiece. P. and O. Deferred improved 14 to 1041p following the f121m sale of 8 gas tanker and two insurance subsidiaries.

Among Financial Trusts, Fashinn and General moved up S to 155p in sympathy with the rise in Furness Withy.

Company trading statements again sttracted the limelight in Renewed switching from Textiles. Constanids eased 2 to Unilever into Unilever NV before and after confirmation of 89p following the chairmsn's wsrning on profit margins, while reduced profits from Illingworth the Government's further relaxation of exchange controls prompted marked dullness in the Morris came as no surprise, the shares shedding only a penny to 23p. Vita-Tex. on the other hand, former which fell away sharply sfter-houra to end 38 down on halance at 496p; dealings in the latter were halted with the shares at £18], a fraction easier 6 to 72p on the higher al profits and dividend rose annual coupled with the company's confident outlook on current trading. royalties.

DEALING DATES

Deal- Deal- Declara- Settle-

July 10 July 23 Oct. 4 Oct. 16

Jnly 24 Aug. 6 Oct. 18 Oct.30

Aug. 7 Aug. 20 Nov 1 Nov13

For rate indications see end of

Share Information Service

Money was given for the call

243 402 514

300

443

755

198

21

71pm

Last

tion

First Last

ings

-32 -10

+ 1

- 7

- 1

- 3

+10

lngs

ACTIVE STOCKS

The undertone in Properties Tricoville were again booyar

earners Bats dull, the ordinary relinquishing 9 at 266p, with the deferred 7 lower at 2539. Im-perial weakened 21 to 914p. Plantations closed firmer, reflecting far-east advices. Soge-mana faatured with a rise of 15. st 300p.

**Demand** for Golds

The continuing buoyancy of the bulllon price, which breached the \$300 an ounce level for the first time and closed \$3.50 up op-halance st \$301.375, after touch-ing a record \$304, prompted sharp gains in Golds in dollar terms.

However, in sterring terms, prices were marginally easier as the investment currency pro-mium lost ground prior to the statement on the relaxation of exchange controls.

Demand for Golds was wide spread in the morning with interest coming from the UK Continent and America. The

opening of U.S. markets, how ever, and a slight reaction in the gold price, brought out a modest amount of profit-taking and prices eased a shade to dog marginally below the day's best levels,

The Gold Mines index, include ing the premium, gave up 0.7 fo. 171.0, while the ex-premium index showed a 4.4 improvement

South African Financials were South African Financials were hard hit by the falling premium. De Beers dropped 19 to 3419, Union Corporation 12 to 3349, "Amcoal" 50 to 875p. and. General Mining 10 to 445p. Cole (R. H.1 Diamond Stylus Hansher A Johnson Cleaners Lep Group London Financials came under Les Group Nortos & Wright PROPERTY (4) Capital & Counties Resalian although Gold Fields ended 2 better on balance at 230p, and Rio Tinto-Zinc closed unchanged Capital & Cot Gravcoat Ests st 268p, after 270p. In Australians Hampton Areas picked up 7 more to 210p. still reflecting the company rejection of Colonial Mutual's proposed purchase of the company's nickel

558.6 49.4 (4/5/73) (25/6/40) 442.3 43.5 (22/6/75) (26/10/71 446.1 (12/2) 129.9 208.4 Gold Mines (37/9) 337.1 54.3 (5/4/74) (25/8 78) 169.5 95.2 Gold Mines (Ex-\$pm)....

### NEW HIGHS AND LOWS FOR 1979

ntermation Service vester new Highs and Lova for 1979.

Bayer A.G. Croda Inti. Determination (7) NEW HIGHS (35) COM WEALTH & AFRICAN LOANS (1)

therein the second seco N.Z. Spc London Scot. F(II. BUILDINGS (4) Brown & Jackson Parker Timber Magnet & Southerns RowHagon STORES (2) Stores (2)

ELECTRICALS (1) Cont. In. of Amer. LEISURE (1) ENGINEERING-(1) Black & Edulation Matthews (2.) Unioate INNUSTRIALS (9) Cole (R. H.1 Polymark Diamood Stylus Provincial List Teasher A Johnson Cleaners Western Boan NEWSPAPERS (2) Collins, (Wm.)

TEXTILES CIT-Tores Anst. 5 Internet, Sontlin, Int. Edinburgh Am. Tst. Sout. Mort. 4 Trais Foreban & Colonkii Scottish Uni Am. Govett European Scottish Western Govert European Prf. Sec. Gt. North -o Month

Royal-Dorth Scentre Res. OVERSEAS TRADERS (3) Steel Broak Great Northers Paterson Zochonis A Paterson Zochonis A Zambia Cooper Meynteist Consist, Rictinto Mount Aveil Tara Exploration

**RISES AND FALLS** 

YESTERDAY

	British Pursus Ander Ander Ander Ander	
•	Corpos. Dom, and	
	Foreign Bonds	
•	Industrials	
	Financial & Prop. 745' 86' 2, 2	
• •	Oile	i
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	Mines	i
	Others	
	Utilities to the second	ļ

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# **FT-ACTUARIES SHARE INDICES**

#### No. Denomina- of Closing Change 1979 tion marks price (p) on day high ..... £1 14 1210 -40 1295 1979 These indices are the joint compilation of the Financial Times, the institute of Actuaries low and the Faculty of Actuaries

15 20-yr. Red.

÷...

OPTIONS

For

ment

323 255 1S4

311

211

325

520

130

14

60pm

castle, Burmah, Shell, Premier Oil, Weeks Associates, Lesney, William Press, Royco, Feedex, Ladbroke, Furness Withy, G.R.A., Town and City, Coalite, Lofs, British Land, ICI, Beed International, National Car-bonising, Mount Charlotte, De-Beers Defd., Grindlays, and

Mersey Docks Units. A put was Sank of Ireland completed in Geo. Bassett, while Credit France in Spillers, Scottish and New- a double was done in Spillers,

Rechardson-Merrels Rockwell Internation Saul (8:47.) Sperry Rand TrankAmerica Chrysler Cont, Ulinois Esmark Firestone Tire First Chicago Ford Motor Honeywell CANADIANS (SI ... Canadlan Pacific Hawker Sidd, Can. Hudson's Bay BANKS (41

in Bauk Weils Far



BEERS (1) .

unties Regainan Warner Est. SHIPPTING (6) P, & O. DeAt. On Reardoo Smith Runcinzan (11) SHOES (1)

MINES (21

NEW LOWS (90)

AMESICANS (27)

I.S.M. Corp.

Non-executive post at Dorada

#### 88 32 33 41 15 5 7 11c 14200 115 73 48 286p 6p premlum. 13 9 3 11 68 5 88p | | | | | 4 36ïp 52 62 15 9 22 16 23 8 24 10 8 144°p 834p 3030 16

10

17 - 104p 31 - 269p

Fabruary

116p

341p

Equity

INGS. He is group operations director of GEI International. eoginering Interests by the pur-chase of Alexander Machinery and Qualters and Smith. Mr. Thomas Kenny is chairman of Dorada Holdings and GEI International.

P. M. L. Rosenberg have joined the Board of GRESHAM LIFE Mr. Swraj Paul has been ASSURANCE following its appointed as a non-executive acquisition by N.V. AMEV. the director of the BARROW HEP-Dutch insurance group. Mr. L. Ginsburg and Mr. B. R. L. Holmes continue as chairman and chief executive, respectively.

The main Board of the MOSS ENGINEERING GROUP is to be reorganised following the retire-ment at the end of August of Mr. K. Parrock end Mr. H. W. Oakley. Mr. K. C. Russell, for-uerly group secretary with the for-the main direction of the MOSS to Mr. Terry Van-Super-tion and the main the end of August of Mr. Terry Van-Super-tion and the main the end of August of Mr. Terry Van-Super-tion and the main the end of August of Mr. Terry Van-Super-tion and the main the end of August of Mr. Terry Van-Super-tion and the main the end of August of Mr. Super-tion and Mr. H. W. bert moves on to the main Board from this position as deputy while retaining his position as cheirman of Barratt Develop-managing director of the Wall- ments (Northern England) to win Group af Companies; Mr. become chairman of Barratt D. H. Stokes joins the Board as Developments (Midlands), Banks bas been made general bert moves on to the main Board n non-executive director, Mr. R. K. Jekeman is appointed group secretary in place of Mr. Russell and Mr. H. H. Goodwin will be deputy managing director nf the Wallwin Group. A group executive management commit-tee is to he formed. This will comprise the executive directors of the main Board plus Mr. D. H. Doidge, managing director of William E. Farrer, Mr. R. G. Adams, managing director of the Moss Gear Company, and Mr. A. J. Thampson, managing director, Stevens and Bullivant.

John Mowlem and Co. tras appointed Mr. R. P. Fletcher as chairman of DUKE AND director. Mr. H. R. Thoms OCKENDEN in place of Mr. E. P. retired from the Bosrd. Beck, who has resigned as chairman but will remain a director.

Contraction and the second second

Mr. Edmind Thompson has Mr. C. V. J. Simpson has become appointed to the newly created been appointed o non-executive managing director of Duke and position of marketing and sales director of DORADA HOLD- Ockenden. director of the WALL'S MEAT Mr. Alan E. Moore is to he position as trading director. Mr. The appointment follows the appointed to the Board of Jack Freeman, who was market-recent enlargement of Lorada's LLOYDS BANK INTER- ing director has left the comrecent enlargement of Lorada's LLOYDS BANK INTER-engineering interests by the pur- NATIONAL at the beginsing of

next year. He will be responsible for the Middle East and Africa Division. Mr. Moore joined Williams and Glyn's Bank in 1933 and since 1974 has been seconded to the Bahrain Monetary Agency to assist in Monetary Agency t Mr. F. Roos. Mr. P. J. F. van Monetary Agency to assist in dcr Does de Willebois and Mr. establishing its Centrel Bank.

> BURN GROUP. Mr. Paul is a director of Caparo Group which holds 24.9 per cent of Bsrrow Hepburn's Ordinary Share Harrington as sales director and director,

sppointed divisional vice-presi-

from his position as deputy cheirman of Barratt Develop-

sales manager. Mr. V. S. Jeffs has been appointed DP manager of CORNHILL INSURANCE COM-PANY hased st the group's Guildford head office. Mr. Jeffs joins Cornhill from the Lowndes Lowndest Croup Mr. Roland W. Shepherd hss been elected chairman of the SOUTHERN COUNTIES AGRI-CULTURAL TRADING SOCIETY and Mr. G. D. Robinson hes become vice-chairman. Mr. Lamhert Group. Arnold Christensen has retired as chairman and as a director.

Mr. E. L. Baillieu bas joined the Board of WOGEN RESOURCES.

Mr. Laurence C. Morgan has SYSTEMS. been appointed managing direc-tor of ANSBACHER (CI1 in

tor of ANSDACHER (off in mr.s. barin white and been succession to Mr. S. A. Faulkner, sppointed vice-president in the who has retired hut remains on consumer services group of the Bosrd as a noo-executive CITIBANK. Based io London, director. Mr. H. R. Thomson has Mr. Windrow is the senior credit the Bosrd as a noo-executive director. Mr. H. R. Thomson has officer for the group in Europe and also a director of Citibani Mr. Isn Melrose has been Trust.

BP Ladbroke ..... 328 478 94 331 Shell Transport 25p 10 Barclays Bank ... £1 Unigate ..... COMPANY in addition to his ICI BAT Inds. ..... £1 25p 25p 194 Boots ..... INTER ing director, has left the com-insing of pany to take up a senior sponsible Unilever position overseas. Hanson Trust "New" Nil/pd. Rank Org. ..... 25p Royal Insurance 25p 60pm 217 337 Beecham ..... 25p 535 Magnet & 198 Southerns 25p Town & City Ward, director, North West NEB, Mr. E. B. White, Tootal Props. 10p 21 group treasurer, and Mr. G. P. Morhen have been appointed non-executive directors. Mr. A. N. Wilson, s director of RECENT ISSUES financisi director, Mr. J. C. Harrington as sales director and Mr. G. W. Harris as production

Stock

### EQUITIES

### 197P Stock F.P. 73 S0 60 F.P. 11.7 91 76 60.12 F.P. 27.7 92 861 51.2 F.P. 52.6 33 601 52.6 33 601 3 701 52.7 F.P. 58 32 52.7 F.P. 10.8 37 301 57 F.P. 44 36 160 F.P. 24.8 156 175 861; Fairline Boats.... 601; Fulgrum Inv. Incomo. 3 Do. Capital Sigp... 32 Malay'n Pi'ts Berhadi belle 1.3 7.0 N1.0 4.a 6.6 14.6

### FIXED INTEREST STOCKS

59.5 1272 High Low Nil 2017 1 pm 10m Enplish & Oversees Inv. Con F.P. 2717 112 1071; Kwik-Fil (Tyresi 83 Gnv. Ln, F.P. 2017 102 881; Marsh If a Univ'rsi 743 Gnv. C F.P. 30.8 102 100 Portsmouth Wator 87 Red. 210 3413 F13 F121; Wrexham Weiter 83 1984... F.P. 3313 031, P51; York Water 123 0cb 1986... 1 pm 140m Enplish & Oversees Inv. Conv. 112 1071: Kwik FII (Tyresi 6% Grv. Ln, 1179/86 102 881: Marsh II's Univ'rs' 74% Grv. Cum.Red. 102 100 Portsmouth Wator 8% Red. Prf. 1984 113 1121: Sund. & 6. Shields Wator 8% 1886

### "RIGHTS" OFFERS

Mr. J. David Windrow has been	"RIGHTS" UFFERS	
sppointed vice-president in the consumer services group of CITIBANK. Based io London. Mr. Windrow is the senior credit	E Latesi Issue = g Ronunc. 187a Price E Itafe Stock 6	prices
officer for the group in Europe and also a director of Citibank Trust.	38 F.P. 9:7 10:8 40 3812 Causton Sir (J.) 65 F.P. 17:7 10:8 90 53 Century Ole 3812 F.P. 10:7 10:8 63 55 Combined English Stores	69 :−1 63  +1 04pm
ARDS	135         NII         50:7         10:8         22pm         14pm Elliott (B.I	130 + 8 16pm 144 50pm
e Oecember 29, 1978, in the principal inea Index. + a.01	47         Nil         30/7         28/8/2/gpm         Japm Hargreaves         2           88         Nil         27/7         24/8         10pm         3 om Highlend List         2           155         F.P.         13/7         24/8         10pm         4 om Hargreaves         2           155         F.P.         13/7         24/8         208         182/g Holt Lloyd Inti         2           110         F.P.         5/7         7/9         114         108         Intil Timber         1	42 pm + 12 8 pm 2 208 1 114 - 5
p	105 F.P. 13/7; 3/8 108 106 McCorguedala	107 [ <sup>*</sup>
+ 3,94 + 3,06 + 2,26 + 1,54 + 1,53	210         Nil         22/6         20/7         60pm         40pm         Paterson Tennant         4           60         F.P.         23/6         20/7         88         81         Scalcros.         4           a65         F.P.         13/6         27/7         202         Siman Enpinooring	80 135 +6 180m:1
+ 1.53 + 8.11 te)	67         NI         20/7         24/8         7pm         3pm         uBM           87         F.P.         13/7         10/8         10         94         IW.G.I         1	opm:

Renunciation date usually lest day far dealing free of atamp duty. b Figures based on prosocetus estimate. p Assumed dividend end yield. a Foretast dividend: cover based on previous year's earnings. F Gividend and yield based on prospectus ar ather afficial estimates for 1979. Q Gross. T Figures assumed. I Cover allows far coeversion of shares act edw ranking for divideed ar ranking sely for restricted dividende. S Placing price to public. B? Pence uses otherwise indicated. I issued by tander. If Officies to bolders of ardinery shares as a "rights." I issued by tander. If Officies to bolders of ardinery shares as a "rights." Issued by tander. If Officies to bolders of ardinery shares as a "rights." Issued by tander. If Officies to takeover. If Introduced. If issued to formet orelerence holders. M Alloumant letters for fully-paid). I revealed in gendy-peid elictment letters. W With warners, it Unileted security. I seved e e units comprieino 2 informe shares and 10 Capital elerse et 125p per unit.

	EQUITY GROUPS	Ŷ	Īed., i	July 1	8, 19	79	Tues, July	Man, Jûly	Fri	July	Venir ago (appenii.)		•
	& SUB-SECTIONS-	· ·		<u></u>	- <u>,</u> , , , , , , , , , , , , , , , , , ,	<del></del>		16-	÷ 13	12	- T.		
	& JUD-JEUTIONJ-		17 2	Est.	Gross	Est.	17 2	1				3	•••
Fig	ures in parentheses show number of	Index	Day's	Earnings Yield %	Div.	P/E	"Index	Index	Index	lodex	Index	i i	Ξ.
	stocks per section	No.	Change	(Max.)	ACT	.: (Net)	No	No.	No	No.	BNa:		•
•			%	1	at 30%)	1			1.1	+			e
1	CAPITAL GOODS (1721	242.90	1.	17.64	5.78	735	242.90	J-239.99	238.93	1,240.85	214.45		
2	Building Materials (27)	225.24	+0.3	18.60	5.89	7.00	224.50	221.12	220.87	221.94			•
3	Contracting, Construction (28)	358.19	, <b>+1</b> +-	25.47	5.83	4.91	353.18	351.33	358.69	355.47	339.44		11
45	Electricals (15) Engineering Contractors (12)	587.33 384.59	-0.4	13.28	3.95	10.34	589.83		572.55		457.50		
6	Mechanical Engineering (74)	179.36	-0.2	18.44	6.32	6.80	381.02	376.73	371.35 178.07.	379.58	317.88.		
8	Metals and Metal Forming(16)	166.23	-0.4	19.46	9.01	639	166.84	165.63	165.03	166.76	16337	1	
	CONSUMER GOODS	_					i			1			
.11	(OURABLE) (52)	227.81 315.44	-03	15.93	5.01	7.98	228.57	226.22-		221.83	196.25		
13	Household Goods (12)	154.95	-11	19.59	735	6.29	156.68	311.12	303.50	306.59	232.42		÷.
14	Motors and Distributors (24)	113.29	-1.0	23.10	7.34	5.25	114.42	113.74		115.03	123.42		- ÷ •
21	CONSUMER GIOIS			2 13	24.2	. ×.	16	]			1	4	1.
21		233.74	-0.7	16.45	5.89	7.67	235.41	271.32	-230.13	232.00	201 21		1.1
23	Wines and Spirits (6)	209 57	-0.3	15.03	4.65	9.69	310.64	306.77	271.08	273.83	220.43		
24	Entertainment, Caterino (17)	309.65	-0.5	16.06		. 8.20	311.29	305.95	303.92	309.41	247.14		÷.,
25 26	Cond Batallin (75)	200.10	-2.8	19.78	6.47	-6.29	205,77	201.90	200.92	202.52	196.30		
32	Newsgapers, Sublishing (12)	302.16	-0.4	11.88	419 712	10.50 6.12	302.01	290.52	290.75	292.52	204.19		
33	Packaging and Paper (15) Stores (41)	121.56	0.9	24.18	9.17	5.36	122.70	123 10	122.43	12314	397.26		
34	Stores (41)	243.74	+9_2	11.62	4.02	11-51	20.17	239.00	237.56	236.47	183.89		
35 36	Toharros (3)	158.95	-0.6	22.90 24.60	956 953	554	159.88	157.13	154,40	156.40	176.76		. :
37	Toys and Games (6)	69.02		33.00	9.76	3.63	240.41 69.02	234.38	23331	-238_14	244.52 105.41	1 C 2 -	
41	DTHER GROUPS (99)	100 67	-0.9	16.00	6.25	7.71	201.42	199,27	197.45	197.65	197.09		
42 43	Chemicals (18) Pharmaceutical Products (7)	274.71	-1.7	18.47	7.03	6.32	279.46	275.62	269.94	269.63	285.17		
44	Office Equipment (6)	715.28	-1.3	13,03	5.07	9.38	718.10	215.02	214.11	213.30	257.98	-	• •••
45	Shipping (10)	473.12	+0.5	9.94	634	13.48	478.40	122.84	466.55	460.15	124.91		
46	Miscellaneous (58)	239.99	-0.2	16.22	6.08	7.96	240.52	238.03	238.03	239.55	205.27	Sec 10	
49	Shipping (10) Miscellaneous (58) INDUSTRIAL GROUP(494)	234.42	-05		5.89	7.62	26.7		230.22	232.41	204.96		۰.
59	Oils(6)		-56	12.42	527.	8.56	677.63	681.70	678.66	683.21	486.47		·
61	FINANCIAL GROUP(116)	162 10	-0.7	15.87	5,78 5,27	-171	193.0	. 268.57 141.39	266.72		232.92		- L.
62	Banks(A)	239.71	-23	27.78	4.84	4.65	245.34	29 27	236.90	189.28	152.91		21E
63	Discount Houses (70)		+14	··	7.00		258.31	262 73	265.03	265.84	201.33	-1 T	12
64	Hire Purchase (5)	167.15 153.94	+10	19.87	5.19	6.48	145.45	163.82	162.37	-163 94	152.91		
66	Insignce (Composite) /8)	177 04	-12		Z40	Ξ.	154.30 123.40	151.87	149.59 119.89	151.65 128.71	133.94	· ·	
67	Insurance prokers (10)	242.14	-1.7	20.66	757	6.92	246.45	248.57	239.33	201.16	336.57		
68 69	Merchant Banks (14)	98.74	+1.0 +0.8		559		97.78	9747	97.08	- 77 53	7938		i e
70	Miscellaneous (10)	123.73	+0.6	. 3.07	2.46	48.62	355.57 122.95	348.79	346.47	349.40	232.15		
71	Miscellaneous (10)	205.98	_		5.44				119.27	119.22	104.30		
81	Mining Finance (4)	117.89	.+0,4	16.66		7.21		115 78	714 45	TH7.61	97 93	- <del>-</del> :.	
91	Overseas Traders (20)	)) <u>)</u>	+0.4 ]	16.33					331.87	333.90	-317 43		$\overline{\mathcal{I}}$
-77.1		245.27	<u></u> _	- 1	9.IA.		248.21	26.72	244.00	245.59	215.15	1	ц.,
		1. 14					EREST	14.1.4				ан (т. с.	÷.
·	FIXED INTEREST PRICE I	NDICES			-	YIELD	entest Is	·····	Ved.	THES.	Year	1.1	
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•	Wed. Day's	20 20	L 24 TY	al 1	Low		5. <b>Mar</b> s,	····· - 1	0.14	10.21	8.75		÷.
.6	ritish Government July change	, toda	T9 10 0	77   2 310   3	Coupons		S years. 5 years		0.57	18.58	10.89		•
		_ <u>[`</u>		- 4	Mediana					ШИ'	11.58	Ċ,	- <sup>1</sup> 2
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	FIXED (NT	EREST	RICE IN	DICES	e de la comunicación de la comunica Actor	YIELDS Wed. Thes., Year July John Strass Red. 16 17 (approx.
· ,	British Government	Wed., July 18	Day's change %	adi adi. today	xd adi. T979 10 date	1 Los 5 years, 10.14 10.22 8.75 2 Coupons 15 years, 10.57 10.58 10.99 3 25 years, 11.14 - 71.58
L 2 ·	Under 5 years	105.52 118,23	+0.14 +9.88		4.94	4         Median         5         year         12.11         12.22         11.56           5         Coupers         15         year         12.08         12.11         12.11         12.11           6         25         year         12.08         12.11         12.11         12.11
₿ 	Over 15 years	125.16 140.05	+1.12 +1.01		7.94 7.24	7         High         5         years         12-51         12.44         13.62           8         Coopens         15         years         12.49         12.55         12.68           9         25         years         12.39         12.52         12.68
i	Allstecks	115.65	+1.71	- 1	្រក	10   Instignables 10.49   10.61 - 11.63

	ndex Yield	17 16	Juny Juny 13 12	Jaiy July 11 10 1	Suly ago S (coproid
l. Deb & Loans (15) at Trust Prefs. (15)	57.56 +18.90	57.36 57.34	87.28 57.52	.57.55 .:e7.58	67.56 67.08

15 Investment 17 Coml. and Indl. Prefs. (20) 69.86 12.76 69.91 70.06 70.16

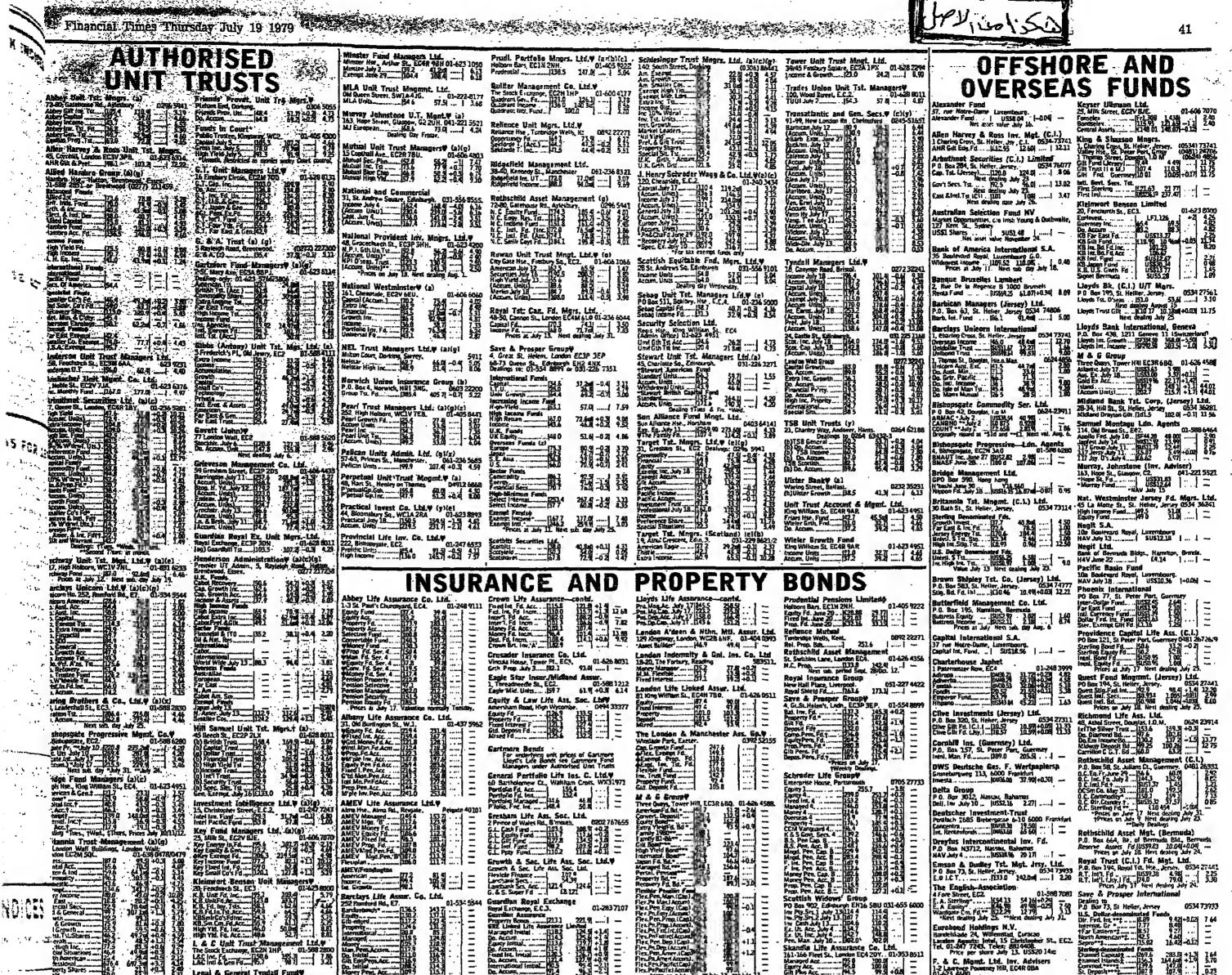
### LEADERS AND LAGGARDS

Arres Laste

The following lable shows the percentage changest which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

		Containa Tuo Gold Immed Index	
Oils		Industrial Group	+ a.01
Preperty		Engineering Contractors	+ 8 10
Food Retailing	+32.68		
Stores	+28.15	Capital Goods Group	
Marchant Banks	+26.33	Metal and Matal Farming	+ 4.70
Sanks		Other Groups	+ 3.94
Gold Mines FT	+21.34	Food Manufacturing	+ 3.06
Diocaunt Houses		Tobeccoa	+ 2.26
Electronics, Radia and TV		Title law at Taxata 1	1 1 2 4
		Investmani Trusts	- 1.94
Brewaries		Chemicala	
Entertainment and Catering	+16.31	Hire Purchaso	
Mining Financo	+ 15.9T	Insurance (Composite)	
Insuranca (Lito)	+ 15.90	Mechanical Engineering	- 0.84
Shipping	+ 15.81	Centracting and Construction	- 1.33
Financial Greco	+ 15.47	Motors and Distributors	
Consumer Goods (Non-Qureble) Graug	+ 13.91	Household Goods	
Overseas Traders	+13.27	Packaging and Paper	
500-Shere Index	+12.90	Difice Equipment	
All-Share Index	+ 12 71		
All-Snars Index	1 16-11	Pharmaceutical Products	
Newspapers and Publishing	T [].3]	Textiles .	- 10.38
Building Meterials	+ 10.39	Insurance Brokars	
Consumer Goads (Burabia) Greup	+ 10.34	Toys and Games	- 24 54
Wines and Spirits	+ 4,87	Parcentage chenges based on Taesday.	July 17,
Electricals	.+ 8,89	1979 Indices.	

Assessment Contraction and the



La La La La Cartar Analysis 201 and 100 and 10 85.9 +0.5 155.9 +0.7 155.9 +0.7 122055 +0.1 122057 +0.1 122057 +0.9 122057 +0.9 

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Financial Times Thursday July 19-1979 FOOD, GROCERIES-Cont SHARE INFORMATION SERVICE Stock 63 48 114 114 Clifford Dairies Do. A N/V Collens 200 Do. 7A" NIV -Catlens 20p ... Do. "A" 20p ... Danish Bch. 'A" 20p ... Danish Bch. 'A" 20p ... Eagland (J. E) 5p F. M. C. ... Fisher (A. 1 5p ... Fitch Lavelt 20p ... Glass Gigner 5p Harber (P. 20p ... industrial BANKS & HP--Continued CHEMICALS, PLASTICS-Cont. ENGINEERING—Continued FOREIGN BONDS & RAILS + or Div. Yill - Het C'ar Brs P/E + of Div. Yiel Price - Net Car S's P/E 1979 High Law + ar Div. - Net C'YE GY'S PIE 1979 | Nigh Low | High Low Stock Price valuers Price + er Dur. • Red. - Gress Yield Stack Stock Stock 
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Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026	219       210       217       4.54       4.57       4.7       4.8       3.6       237       190       2.0       201       4.54       4.57       4.54       4.57       70       17       203       217       4.54       4.57       4.54       132       104       2.0       70       37       126       4.54       132       104       2.0       70       37       70       4.54       4.57       70       70       70       70       2.7       4.54       4.56       132       104       2.0       70 <th>1917 5(3.8)       102       72       Blachtrd Corf</th>	1917 5(3.8)       102       72       Blachtrd Corf

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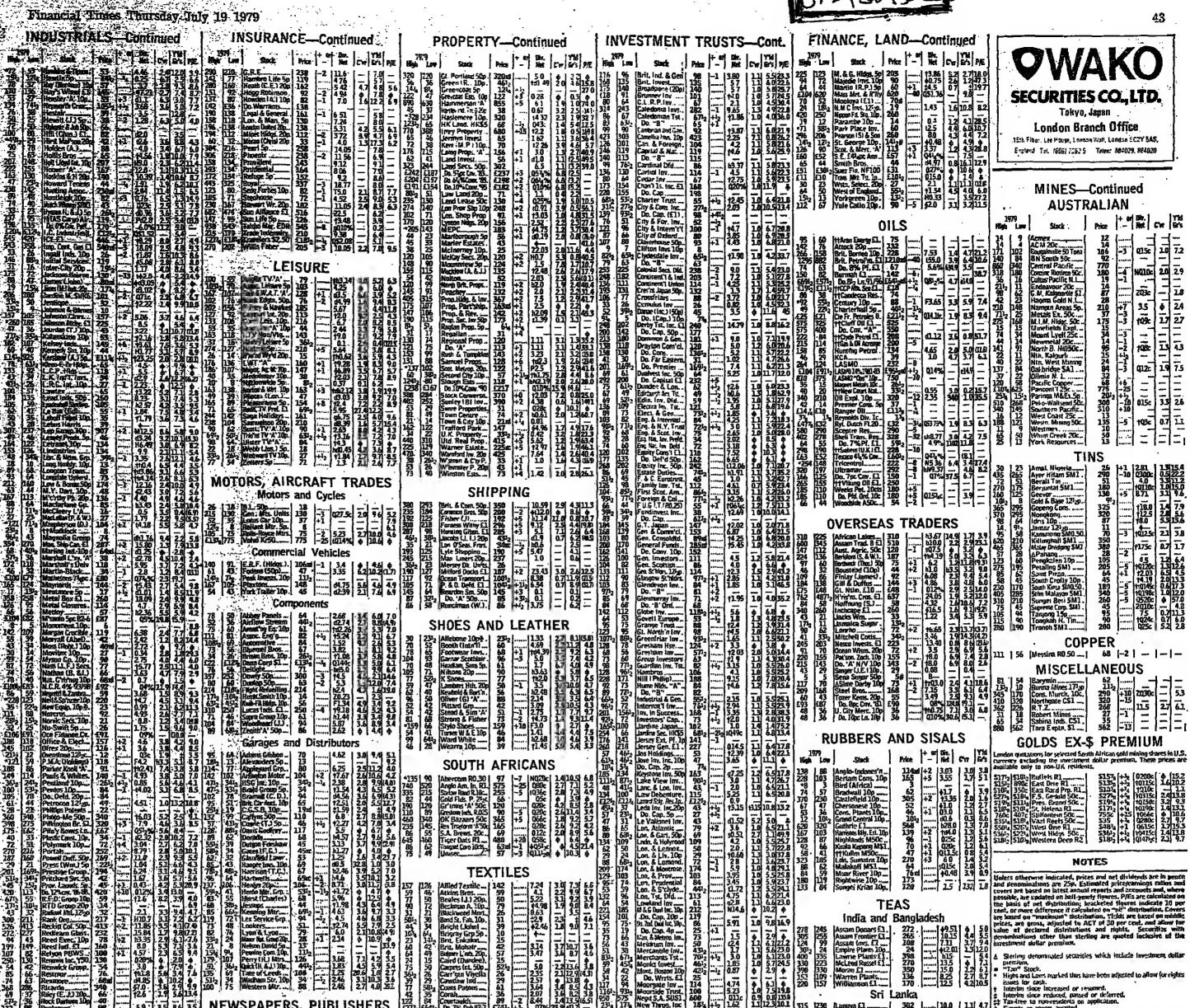
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### Financial Times Thursday July 19 1979



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THE REAL PROPERTY IN	12         36         Hock Damsen LUp         40         5.9         3.5         8.6         3.5         N EV           96         Rockware         98	WSPAPERS, PUBLISHERS 1277 3 Assoc. News 1 200 1-2 648 043 44 76 126 4 Ass. Book P. 200 2982 513 74 25 78 126 3 BPM Hildes A' 69 32 53 66 42 188 3 Bean Broulers 62 1237 27 55 97 68 48 86 53 9 Black (A & CU) 160 639 34 44 8 86 53	64         Courtaulds         89         -2         8.44         1.4135(6.51         2           24         2549         Da.7% Deb827         6743         +3         07% 23.9 e117         -           28         Convener (J)         28	$33_4$ $174_4$ New Throg, Inc. $185_4$ $1+1_2$ $162_4$ $1.11_2$ $310_4$ $37_4$ I16         Do. Cap. £1 $160_4$ $-1_4$ $-1_62_4$ $1.11_2$ $310_4$ $37_4$ I16         Do. Cap. £1 $160_4$ $-1_4$ $-1_62_4$ $1.11_2$ $310_4$ $37_4$ I16         Do. New Writs $57_4$ $-2_4$ $-33_4$ $10^6_6$ $68/20_5$ $33_6$ $66_2$ $1972_8$ $100_8$ $68/20_5$ $100_5$ $100_5$ $68/20_5$ $13_4$ $90_7$ Nith. American $91_4$ $41_4$ $63.05_5$ $10_5$ $48/29.4$ $31_4$ Northern Secs	315       [230       [Lunuva £1       ]       302       ]       ]       10.0       [1.1]       4.7         Africa	<ul> <li>Tax-free to non-residents on application.</li> <li>Figures or report, awaited,</li> <li>Holisted security.</li> <li>Price at time of suspension.</li> <li>Indicated divident after pending scrip and/or rights issue: cover relates to previous dividents or forecasts.</li> <li>Merger bid or reorganization in progress.</li> </ul>
CULLER CONE	33         Consult 7:100         C144	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	75         51         Oil & Assoc. Inv         70         -1         2.42         9         5.1         64         55         Dutwich Inv	MINES CENTRAL RAND 637 [270] Durban Deep R1 557 [235] East Rand Pro. R1 556 [5223] Randford n Est. R2 156 [5223] Randford n Est. R2 156 [-2] (017-2] 42 57 EASTERN RAND	<ul> <li>Net comparable.</li> <li>Same internm: reduced final and/or reduced earnings indicated.</li> <li>Forecast dividend; cover on carnings opdated by latest interim stationers.</li> <li>Cover allows for concersion of shares not now ranking for dividends or ranking only for restricted dividend.</li> <li>Cover does not allow for shares which may also rank for dividend at a foure date. No P.E ratio usually provided.</li> <li>Exclusing a final dividend declaration.</li> <li>Regional price.</li> </ul>
	12         31b         Scot. Heritable.         51x +2         10.92         77         2.61         5.0         447         200           35b         Scor. Nidgs	do Conv         335         -2         2035         6.4 (±47)         -74           b. Looi 0. Post 50p         128	155         Leeds Divers         68         ftfL69         58         56         69         57           14         Leeds Mills         15%         0.67         2.0         6.6(8.4)         6.6           14         Lever 5p         15%         0.67         2.0         6.6(8.4)         6.6           14         Lever 5p         15%         0.67         1.0         7.1         2.0         6.6(8.4)         6.6           51         Lister         57         -1         0.07         7.1         2.5         5.4           43         Matkay Hugh         55          0.52         1.11         9.4         7.4         0.11         9.4         7.4         0.4         7.4         0.4         1.4	305         Da. Sub. Sh'FIS         314         -8 <td>107         62         Bracken 90c         83         10442         14/27 1           38         16         East Dayga RI         26/2         1         125c         0.3/83           329         215         E.R.G.O.S0         242         -2         0.25c         1.7/53           192         853/2         Grootyle/25c         140        </td> <td>B) Noi car value. a Tay free b Figures based on prospectus or other official estimate c Cents d Dwidend rate pavil or payable on part of caucal; cover based on dividend on icil capital. E Redensition yield. 1 Flat yield g Avaumed dwidend and sield. B Avaumed dwidend and yield after scrap issue j Payment from capital sounces. &amp; Kenya. m Interim tugher time previous total. A Réput issue pending. g Earnings based on preliminary figures, s Dividend and yield evaluate a special payment. I indicated dividend: cover relates to previous dividend, for evaluated on previous year's earnings. V Tay force up to 30p in the c w Yield allows for currency clause. y Dividend and yield</td>	107         62         Bracken 90c         83         10442         14/27 1           38         16         East Dayga RI         26/2         1         125c         0.3/83           329         215         E.R.G.O.S0         242         -2         0.25c         1.7/53           192         853/2         Grootyle/25c         140	B) Noi car value. a Tay free b Figures based on prospectus or other official estimate c Cents d Dwidend rate pavil or payable on part of caucal; cover based on dividend on icil capital. E Redensition yield. 1 Flat yield g Avaumed dwidend and sield. B Avaumed dwidend and yield after scrap issue j Payment from capital sounces. & Kenya. m Interim tugher time previous total. A Réput issue pending. g Earnings based on preliminary figures, s Dividend and yield evaluate a special payment. I indicated dividend: cover relates to previous dividend, for evaluated on previous year's earnings. V Tay force up to 30p in the c w Yield allows for currency clause. y Dividend and yield
	100         Sketchler         104         5.09         3.01         4.011.9         432         320           166         Smth5 Neph 200         76         +1,         2.71         2.27         5.285         198           198         Smth5 Neph 200         76         +1,         2.77         5.21         85           198         Smth5 Neph 200         76         +2         16.09         3.47         5.77         6.1           35         Solic, Law 200         36         -1         1.47         2.4         5.810.0           2912         Scinitic, Law 200         32         -1         2.25         6         11.4.6           -715         Scinitic, B         322         32         -1         2.35         6         11.4.6	PAPER, PRINTING	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	15         162         Scot. Cities 'A'.         202         +2         8.74         1.06         6.2122.2           162         51         Scot. East. Inv.         61	65 312 With Niger 25c 675 1-17 10224 18 9.3 FAR WEST RAND	Sup in the L. W Tried alrows for Currency Cathles, Y Landend and years based on integrations in the second sympatric control of the second approach Court does not apply to special payment. A Net dividend and yield. B Preference duvidend passed or deferred C Canadam. C Mulanum render price F Dividend and yield based on prospectus or other official scripturities of 1979-90. C Assumed dividend and yield after pending scripturities issues. H Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on
	1002         Sizeffs, Poets         1002	19:4:         Printing	85         Do 9% conc. 61         85	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	978 562 (East Drie R2 646 (-9 (2215c) 1.6 91) 429 (21.6 Elandsrand Gkl. 20c 3087 125 70 [Elsburg R1 97 -1 (013c 1.0 6.9 (571) (511) (512) (512) (513) (	based on prospectus or other official estimates for 1979.P Figures have on prospectus or other official estimates for 1978-79. 0 Gross. T Figures assumed. Z Dividend intal to date 65 Yield based on assumption Treasury Ell Rate stay unchanged until maturity of stock. Abbreviations: at ex dividend; at ex scrip issue; at ex rights; at ex all; at ex capital distribution. <b>* Recent issues " and " Rights " Page 40</b>
44 143 215 152 154 154 154	36         Sunclifie Spain         26         -2         1266         6.410.6         32         117         73           20725         Sureash Matori ASD         720         D18%         1.6         2.3         117         73           -72         Sureash Matori ASD         720         D18%         1.6         2.3         6         1.27         83         1.27         83         1.27         83         1.27         83         1.27         1.26         1.26         1.27	Clay (Richard)         96         294         6         4.4         6         123           Colley Dion Line         114         43<65	45         Smail & Toimas         83	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	314 140 Ventersport R1 235 +11 045c @ 9.8 (299 15171, W. Drie R1 5233 -1 0615c & 13.4	This service is available to every Company dealt in on Stock Exchanges throughout the United Kingtom for a fee of £500 per assum for each security
-11 58 93 52 52 52 52 52 52 52 55 52 52 55 55 74 170	16 114 1700 200 135 +1 No.0 37 6.4 5.6 70 59 48 Toothin R.W. 48	Harrison & Sons_1         60.	41       Terting Jay 10p       53	21         87         Do. Cap. £1         106         +332           041, 74         74         Througnorton         86         -12         14.87         1.0         8.117.6           042, 74         Througnorton         86         -12         14.87         1.0         8.117.6           047         78         Tor. Invest. Inc.         91         -15.7         1.2         9.013.1           280, 95         Do. Cap.         108         +1         0.57         -0.8            14         161         Trans. Oceanic.         161          5.5         1.0         4.92.9.5	140         90         Free State Dec. 50c         110	REGIONAL MARKETS         The following is a selection of London quotation, of starms previously inted only in regional market. Prices of In the insteam of which are not officially listed in London, are as quoted on the inste exchange.         Altany Inc. 30p
164 114 680 227 124 80 35	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Offives Paper 20p.         27         12.34         3.61         7.11         5.6         39           Oblevy Print Grp         66	TOBACCOS           255         iBAT 1 indis         266         -9         i516 98         3.01         9.31 40         11           242         00. Defa         253         -7         9.73         5.6         3.11         75           325         Dambul (A.110p)         450         -9.73         5.6         3.11         75           82         Impersal         9110-12/36.32         1.9110.11         6.2         81           577.2         instrumers 12/30         6112         -1         245         07.91         5.6         2.0         1.1           54         Stepment Hn. 10p         78#        6         3.12         3.0         5.7         83         3.3	155         501-2         Trust twiton         56	355         245         Weikom 502         306         +6         1065c         16127           522         [155]         W.Holdings 50c         £173         -3         10415c         14         122	Crang & Harse 11 1112
15 90 29 199 199 199 199 199 199 199 199 199	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Watermounder         229         230         230         240         260         200 <t< td=""><td>54       [Stemmer Hn. Jop]       78#      </td><td><math display="block"> \begin{array}{cccccccccccccccccccccccccccccccccccc</math></td><td>215         800         Ang-Vaal 50c         210         1         0150c         0.7           175         130         Charter Cons.         132ad         +2         8.62         n22         9.3           268         178         Cons. Gold Fields.         227         +2         8.62         n22         9.3           23b         175         East Rand Con. 100         18          10.95         1.0         8.5           640         355         Gen. Mining 40c</td><td>File Force       54       Carroll (PJ.)       98         Grand Sing, 51       32000       Generation       97         Starty Sing, 51       72       Generation       97         Niczałk Berwy       72       Heilan (Hindgs.)       75         Niczałk Berwy       73       Heilan (Hindgs.)       75         Ju M. Sten, Cl.       165       Jacob       30         Peel Muts       30       74.6       140         Stefl: Refesime       95       Umdare       83</td></t<>	54       [Stemmer Hn. Jop]       78#	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	215         800         Ang-Vaal 50c         210         1         0150c         0.7           175         130         Charter Cons.         132ad         +2         8.62         n22         9.3           268         178         Cons. Gold Fields.         227         +2         8.62         n22         9.3           23b         175         East Rand Con. 100         18          10.95         1.0         8.5           640         355         Gen. Mining 40c	File Force       54       Carroll (PJ.)       98         Grand Sing, 51       32000       Generation       97         Starty Sing, 51       72       Generation       97         Niczałk Berwy       72       Heilan (Hindgs.)       75         Niczałk Berwy       73       Heilan (Hindgs.)       75         Ju M. Sten, Cl.       165       Jacob       30         Peel Muts       30       74.6       140         Stefl: Refesime       95       Umdare       83
365 125 121 137 138 146	105         Watsham's         335         315         316         37         319         82           105         Watsham's         117ml         -3         d3.0         9         37         9         319         82           22         Wettywood         82         -6         4.18         35         7.3         4.3         3102         211           73         Wettywood         82         -6         4.18         35         7.3         4.3         3102         211           73         Wettywood         82         -6         4.18         35         7.3         4.3         3102         211           73         Wettywood         82         -6         4.18         35         7.3         4.3         3102         211           73         Wettywood         82         -12         H017c         2.2         90         130         87         57           74         Whittywood         96         -125         4         3.3         -57         57           104         Whittywood         104         -77         2.0         105         52         33         140           24         Whittywod	Aper. Props. 10p.         115         +2         113         1.6         1.653.9         145           Aquis. Secs. 5:         29         -12         8.72         1.13         3.5373         122           Avenue Cl'se 20p.         113         +2         1.79         3.11         2.5307.3         122           Avenue Cl'se 20p.         113         +2         1.79         3.11         2.320.5         260           Beinem Props.         114	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Finance, Land, etc.           88 $176$ Aloryd Smithers.         222 $+2$ $1675$ 5.0 $10.8$ 2.5           1972 $1012$ Armour 7st. 109 $14$ $1011$ $-1.0$ $7.1$ 176         85         Aust. Farming -         90 $-1.0$ $7.1$ 176         85         Aust. Farming -         90 $-1.0$ $7.1$ 177         85         Aust. Farming -         90 $-1.0$ $7.1$ 155         54         Authority Inv. 300	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	3-month Call Rates
89 54 195 57 57 57 57 57 57 57	28       ••••••••••••••••••••••••••••••••••••	Britisk Land         7812         +1          645           5 00.12x Ca. 2002         5253         +3         012%          648          112           6 00.12x Ca. 2002         5253         +3         012%          648          112           8 runton Estate         155         232         1.0         211         81         50           Cap. & Counties         95         +122         211         18         31223         187           TitCarkan Real ID:         27            532         532           Campages In: 50.1         138           22         12         24         51         87           Campages In: 50.1         138           15         62         15         62           Da. Cao, 270 a. 230         130         +4           133          133	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	194         158         Tanks Con. 50p         172         +2         010.0         13         5.8           92         84         00. Pref. 80p         84          09% 17.77         8.6           5204 5105 Trazel Cons Ld.R1         £14321;         t0125e         3.3         4.4           365         215 U.C., fruesk R1         240         -13         042;         1.5         9.0           468         255         Union Corpa. 6.25c.         334         -12         047r.         2.1         7.2           100         55         Vogets 21/2 c         72	Bott intermet         Total         Total
· •	40         Writter (1 interaction)         50         61.67         1.9         48         03.9         250         178:           40         Writter (1 interaction)         50         50         50         10         5.7         4.2         52         430         325           30         Writter (1 interaction)         50         34         10         5.7         4.2         52         430         325           30         Writter (1 interaction)         50         34         10         5.7         4.2         52         430         325           30         Writter (1 interaction)         35	12         Chesternield         245         +2         1223         1.4         1362.0         152           Churcho'ry Ess.         405	118-2         Ashdown (m	12 $12$ $51$ $22$ $6$ $8$ $6$ $10$ $11$ $12$ $51$ $26$ $6$ $8$ $6$ $10$	DIAMOND AND PLATINUM           £493a [235]         Anglo-Am. Inv.50c         £40         1-5         10750c   111         9.6           482         341         De Beers Df. 5c         342         -19 (070c   3.0 / 11.1         9.6           111         850         Du. 40pc Pf. R5.         875	Doministic         Do         Nether         Data         Earlie State         140         Data         Data <thdata< th="">         Data         <thdata< th=""></thdata<></thdata<>
148 38 210 513 185 185 185 185 298	$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Daejan Hides:         148         +2         320         124         40.92         22           Dorriging 100.         27         -12         075         14         40.92         72           Dorriging 100.         27         -12         075         14         40.92         72           Dorriging 100.         27         -12         134         6         5         6         5         77           Exs. & Agency.         90.8         0.5         211         0.699.4         5111         6         5         6         5         77	TRUSTS, FINANCE, LAND       Investment Trusts       Z         38       Aberdeen Invs.       90       1357       1157228       11         36       Aberdeen Invs.       90       1357       1157228       11         100       Alterdeen Invs.       90       1357       1157228       11         100       Alterdeen Invs.       107       325       10107282       10107282         100       Alterdeen Invs.       204       +2       8.0       10559246       22         116       Attinue Inc.       632       +2       55       10107282       11       117         1285       Do. Capical Stop.       1285       10.0       1.1119111       11       11         1387       American Tis. E       900       -18       1.55       11       5.5523.9       11         1402       American Tis. E       903       -18       116       6.0247.7       11       402.2       11.5       11       5.5       11       5.5       11       5.5       11       5.5       11       5.5       11       5.5       11       5.5       11       5.5       12       5.5       11       5.5       12       5.5       11 <td>88       Christes Cop147       P4.00       P4.00&lt;</td> <td><math display="block">\begin{array}{c c c c c c c c c c c c c c c c c c c </math></td> <td>Gund Kett</td>	88       Christes Cop147       P4.00       P4.00<	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Gund Kett
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# FINANCIAL TIMES

Thursday July 19 1979



BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

Carter's Cabinet and senior White House staff would aurvive after they had tendered a collec-tive offer of resignation late on Tuesday.

The White House bas let it be known that the foreign policy triad of Mr. Gyrus Vanca. Secretary of State, Dr. Harold Brown, Secretary of Defence, and Dr. Zbigniew Brzezinski, National Security Adviser, would not be cbanged.

But a huge cloud bung over the bead of Mr. Michael Blumenthal, Secretary of the Treasury and the Administration's chief ecocomic architect. It had been thought, when Mr. Carter named him principal economic spokes-man only two months ago, that be bad won hia running war with key White House advisers. The illness of Mr. Charles Schultze, chairman of the Council of Economic Advisers, had seemed to make Mr. Blumenal even more indispensible. But his name was repeatedly

mentioned in Washington yes-terday as a primary candidate for either firing or reassign-

and one or two others. It seemed obvious that Mr.

Carter was playing an extremely risky political game. If he does nol. in the end, perform radical surgery on his Government, he will be accused of engaging in a mindless public relations exercisc: yet it is not easy to find quality Cabinet - level replacements at this late stage in an Admioistration, especially

one whose political survival is by no means assured. DOLLAR SLI PS

IN THE wake of President Carter's speech and the pre-dicted Cabinet changes, the remained generally dollar weak throughout yesterday in spite of widespread and large central bank intervention. notably by the Bundesbank and the Swiss National Bank. The U.S. currency fell to

DM 1.7990 before closing at 1.8070 compared with DM 1.8125 on Tuesday.

WASHINGTON was rife with ment, aloog with those of Mr. In the extent that anybody office, may have been strength-speculation yesterday over Joseph Califamo. Secretary of was willing to comment at all aned by one public opinion poll which members of President Health. Education and Welfare, on the unprecedented masa released yesterday, the judgin a gesture of support for Mr. Carter as he draws up an entirely different strategy to ciably. reinforce the new image he wishes to convey as a strong,

> decisive bead of state. His confidence in this new role, which stands in such contrast to the diffident and reflective demeanour that charac-terised his first 30 months in

FURTHER

The dallar's trade-weighted index, as calculated by the Bank of England, fell a further 0.3 points to 83.6 for a decline of 1.2 per cent so far this week. The weakness of the dollar

affected the bnillon market where the price of gold moved abave \$300 an ounce for the first time. The price closed \$31 up at \$3011 after touching

on the unprecedented masa released yesterday, the judg-resignation offer, it was sug- ment of which was diametricgested that senior Government ally opposed to that bandad officials had acted as they did down by both the foreign exchange markets and Wall Street. where abare prices fell appre-The New Ynrk Times-CBS News canvass registered an

11-point jump to 37 per cent in Mr. Carter's approval rating after his extraordinary Sunday night television speech. Seventyseven per cent agreed with his analysis that a moral and apiritual crisis grips the nation, while more than a third accepted that the energy crisis

was real, up from the meagre quarter in the previous poll. It appears that it was the President, using his political adviser, Mr. Hamilton Jordan, as an instrument, who invited the Cabinet and top White House staff to offer to resign Some Ministers, Mr. Vance and Mr. Brown reportedly among them, demurred on the grounds that such action was unneces-

sary, but others, including Attnrney-General Griffin Bell, backed up the request.

# Sweeping Health Service proposals

### BY PAUL TAYLOR

WIDE-RANGING proposals for changes in the National Health Service, iocluding a simpler ad-ministrative structure, a 15year bospital building programme, and the abolition of health aervice charges, were made a in Royal Commission report published yesterday. Immediate reaction to the re-

the changes do not seem dramatic The official line is that they represent just motive step in the progressive dis-mantling of exchange barriers. port of the Royal Commission on the National Health Service, was predictably mixed. It was greeted coolly by Mr. Patrick Jenkin, Social Services Secretary, entbusiastically by Labour front-bench spokesmen and with "disappointment" by the British Medical Association. which originally asked for the independent inquiry. The commission has spent

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ments.

portfolio investment-bit not in an area which has tradition-ally been very high on the three years examining ways to improve the use of the £8.1bn average fund managers shop spent annually on the service ping list.

Official rate Local government changes 6: Challenge facing The securities of EEC coun-NHS, Pace 8; Parliament, Page 9; Editorial comment, tries, which from now on will be traded at the official exchange rate, have never had the same attractions for US, investors as Wall Street, the Far-East and gold shares. Investin the UK. Its major proposals include the abolition of one tier ment trusts, for instance have in the administrative structure, and about 2 per cent of their portfolio in continental Europe. And although the premium is being removed, controls are not devolution of powers from the Department of Health and Social Security, and changes in internal financing arrange-

higgest

As before, official permission (however much of a formality). Alongside controversial prowill still he required for trans-actions, and it will not be posals for ending prescription and other health service charges, the commission takes possible to hold pools of foreign currency liquidity with which to play the markets freely. The obvious dodge — of buying sbares in a European fund that a non-committal attitude towards private medicine and rejects suggestions that the service's fuoding basis should be switched

Tha exchange control rela

tions which were announce

But what we now know is that

one atep can follow another very rapidly if circumstances dictate

Sy Alec Merrison, commission chairman, said vesterday that the measures suggested represe sented "reform not revolution." The service was perbaps not "the envy of the world," but it provided "very good value for money." Sir Alec said it was not possible to put a precise cost on the measures suggested, but the report talks of a "substannet cost if all the rec

# THE LEX COLUMN No sudden rush for the exit ever the position of the UK company wishing to acquire

Index fell 6.0 to 472.0

yesterday would have been unthinkable only a few months ago. But in the light of sterling's current performance on the foreign exchange markets

AAL against the SM 40 2.10

it—it is only five weeks since the Budget changes. Although sterling whiled for a moment when the an-nouncement was made, there is Cartency Pre Rate Z certainly going to be an rash for the exit this morning. The A A M concessions concern 1979

> ortfolio investment covering the repayment of foreign cur-rency borrowings raised to acquire overseas securities is not as exciting as at first may appear. First, it will only be: possible to repay at official rates. borrowings which have been outstanding for at least a yearnew loans will be subject to the old rules. Secondly, the securities which have been financed by loana which have been repaid at the official rate will not be eligible for the premium when resold. Instead they will be classed as restricted securitiestha one attraction heing that they may be freely switched. into other foreign currency, securities, which then in turn. become "restricted."

There may well be demand for EEC securities from finds which anticipated the relara-second quarter of, the year, been since investors who have last week the buoyancy of bank Germany may be more allaring, been keeping nut af U.S. stocks lending has ben such that some particularly the bond market for fear of the premium's total, of the big banks are apparently where in D-mark terms very demise now have some rethink inore constrained by the Corset the writing on the wall is

company wisking to acquire businesses overseas could be improved in two important ways. The risks of failure, are significantly, reduced, in that until now an overseas business which was entirely financed by debt and which hade losses might have had to be refinanced with investment currency. And there is now nothing to stop a UK company using its paper to huy overseas assets—apart, finit is, from the rejuctance of con-tinental investors to bold UK equiries and the daunting requirements of the US. Securi-ties and Exchange Commission. ties and Exchange Commission Union Discount In contrast to the disappointng statement from Alexanders count earlier this w

Indicatione:

Union Discount's interim state ment is rather encouraging Whereas Alexanders appears to have lost money in the first six months of 1979, Union (the City's biggest discount house) made profils and the shares rose 10p to 380p last night, where they yield 6.6 per cent. After the initial rise in Minimum Lending Rate in February, Union started in make money as rates tumbled shortly after wards. On the eva of the Budge it was virtually ont of the gill edged market and so was not caught completely off-guard by the jump in MLR to 14 per cent. Union reckons that a tight monetary policy means high interest rates and does not subscribe to the school of thought that thinks MLR will fall very shortly. Indeed, if bank lending

does not soon start to abate, there is an outside chance that at yesterday's July make up day is an for the banks. Notwithstanding the release of special deposits more constrained by the Corset attractive returns are available. ing to do Longer termy however, than ever. Today's money supply month are likely to underline the continued strength of bank ..... lending and as this seems to have caried over into the July banking wonth, it wilf not be will be any chance of a slowdown appearing. Against this background Union's pessimism about interest rates makes a lot of sense.

As yest

CHARG .

# Thatcher queries microchip aid

#### BY MAX WILKINSON

THE £125M Government supmicro-electronics is to be furthe Prime Minister and could be severely pruned.

Mrs. Toatcber's intervention follows a series of talks between Sir Kelth Joseph, Industry Secretary, and Industry Department officials about how the support schemes should be curtailed.

Draft proposals for reducing. but not completely ending the schemes, were drawn up and shown to Mrs. Thatcher but she has called for more detailed justification of the expected

Two schemes, a £70m micro- principle of State aid. ture and application of scheme (MISP) for manufacturers and a £55m microther revised on the orders of electronics applications pro-the Prime Minister and could gramme (MAP), are involved. The Industry Department's efforts to expand the training

of engineers in the use of micro-processors appear to have heen relatively successful, however. The number of placea on traioing courses has risen from 2,000 in 1978 to 5,300 this year and is expected to reach

21.000 by 1981. The Government may agree to further expansion. But direct support to industry

justification of the expected has come under less favourable account for £25m or more-henefits, and, probably, further scrutiny. The Government is • John Elliott writes: Ministers not sympathetic to the general have approved plans for tha

questiooed.

money

already

has

towards this venture and other

National Enterprise Board to be Also, the effectiveness of the allowed to continue with a role department's methods of spread-ing aid thinly across an indusin encouraging high technology projects and small companies, in addition to looking after "lame trial sector la beiog closely ducks.

Even if the support schemes The plan has also been approved by the Prima Minister and may be announced today if were completely stopped, some been allocated to industrial projects and this would have to be paid. the text of a Parliamentary announcement is finalised in The largest scheme for a new time. Otherwise It will delayed until next week. be micro-electronics factory to be run as a joint venture by General Electric and Fairchild

Strict guidelines will be laid down, sayiog what the NEB can of California. Support of £7m has already been promised and cannot do, and the need for It to work in partnership with the private sector will he schemes in the pipeline might stressed.

> Mierochip laboratory opens, Page 7

World airlines' fuel bill up 82%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

np.

THE WORLD'S MAJOR scheduled alrlines, meeting in Geneva to consider a new round of fare rises, have been told their total fnel bill in the correct financial year will jump by 82 per cent.

As a result of successive oil price rises so far this year. their estimated world-wide fuel bill for 1979-80 is \$7.37hn (£3.25bn)—an increase of \$3.32bn (£1.46bn) on an original estimate of \$4.05bn.

about £45m last year, roughly

British Shipbuilders' 1978-79

probably early next week. The knowledge that British

likely to increase this year.

... When last year's figures are

Continued from Page 1

years - and because outward

exchange rate expectations.

the state of external confidence.

for caution and the mechanism

The main remaining controls sion.

long-term

cial estimates for the period.

of trading to April, 1978.

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

in line with Government finan- centres of Falmouth, Tyneside,

April, 1979, compares with a caused about haif the corpora-

pre-tax loss of £108m for the tion's total losses, compared corporation's first nine months with a trading loss last year of

statement on ahiphuilding workforce of River policy by the Government, Sbiprepairers is in tha process probably early next week, of being reduced by almost balf.

Shipbuilders bas halved its made a loss of about £8m last losses will reduce pressure on year, in spite of improved turn-

ministers to take a tough line over. Mr. R. A. B. Butler, the

with the corporation in that group's chief executive, an-statement, although they have nounced last week that be would

heen warned that losaes are be leaving Britisb Shipbuildera

£9.9m.

Falmoutb

**Exchange controls eased** 

impact on capital are on portfulio investment nut-

depend both on the response to ni sterling for third country stocks.

is partly because they have the banks. The latter bad been

investmant, especially in shares, Trade Secretary, said: "Especi-

been in place for so long-40 allowed up to 1976.

the dismantling so far and on trade by banks."

BRITISH SHIPBUILDERS lost on resources.

Part of this increase, about 51hn, has already been recovered by fare rises of between 4 and 7 per cent from last April, leaving a gap of about \$2.32bn still to be made Passengers will clearly have to pay more.

The figures were presented to 64 airlines attending a special fares-fixing session earlier this week by the International Air Transport Association.

It is already clear to the

British Shipbuilders lose £45m

Together, the four shiprepair

River Thames and Southamp-

accounts are due to be presented been virtually closed down as £104m included a provision of later this month following a a result of these trenda and the £49.4m against such losses.

The Tyne Sbiprepair Group

in August. British Shipbuilders' accounts

published, they will show that this year will show figures for to fall in many yards because

will be heavily influenced by ally in present circumstances institutions are not at an unfair

to EEC securities is partly in-

Last night, Mr. John Nott, the EEC countries.

The figure for the year ended tion are understood to have considerable improvement, some

Shiprepair has

airlines that even with fare rises of between 10 and 15 per cent they would be unlikely to reconp the shortfall of \$2.32bn. Bnt they dare not seek bigger increases at this stage for fear of driving away traffic or upsetting their governmeuts.

They are aware of the danger of further oil price rises between now and the end of this year. Agreement on fare rises at this meeting does not rule out the possi-

last year that the Corporation

was concealing the true picture.

ahipbuilding yards will show a

of which can he explained by

the generous provisions made

in last year's accounts for future

Several of the contracts in ques-

tion have been executed this

year without the anticipated

The picture has also been improved by better financial re-

turns from the corporation's

trend is unlikely to he main-

tained this year, when income from ships delivered will start

uoit aod investment trusts in

This is to ensure that UK

improving financial

level of losses.

warship huilders.

This

astablished.

Last year's trading deficit nf

losses on contracts in hand.

Figures from the merchant

billty of yet another round of fare increases this year. The average seems likely to be 10 to 15 per cent. Unconfirmed reports suggest that the fares on the North

Atlantic are likely to rise by 10 per cent or more, but that in some less developed air transport regions of the world, such as the Pacific and South-East Asia, the rises may well be smaller.

Russla to freeze oil exports, Page 5

mendations were implemented. The cost of the proposals was highlighted by Mr. Jeokins In Commons statement. Mr. Jea klos promised "a careful study" of the proposals and said the Government would publish its own proposals on the major issues of structure and manage ment in the autumn.

from taxation to insurance.

But he restated the Govern ment's commitment to encourage private medicine, aaving he did not share the commission's view that the NHS should be

financed wholly through taxa-

seems more important to get the currency right than it is to buy the right stocks.

Weather

and West.

(61F),

Max. 17C (63F).

15C (59F).

intervals.

Orkney

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UK TODAY

to the dollar can now get it quite freely through the bonds of a number of international

But everything rests on the the writing on the wall currency risk. These days it becoming ever more distinct. The latest relatation in controls on direct outward investment is not going to make much Investors who want exposure difference to the way that successful companies, conduct until mid-September that there their business. Most will still will be any change of a slowwant to match overseas investorganisations which may all be ments with local currency purchased at the official rate. finance in order to protect their The third main concession on profit and loss account. How-





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Rudpst. R. Al**res** 

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GKN planning second bright or sunny intervals and showers especially in the North and West. parts plant in U.S.

tion.

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN DETROIT

GUEST KEEN and Nettlefolds, earner in the group's entire Britain's higgest engineering ranga of activities. GKN's first CVJ factory in the U.S. is being built at croup, is to spend about \$80m (£35m) to set up a second motor Sanford, North Carolina, and components plant in the U.S. will come on stream next February. Its output of CVJ This move comes only 18 monihs after the group wentsels for 400,000 cars a year will ahead with \$42m plans for ils go entirely to Ford of North first U.S. plant. Both factories America. will provide components for the

generation of small Capacity American cars, making constant

velocily joinls (CVJ), the key The second plant will he built components in the transmission at Alamance County, about 50 of power from engines to the milea from Sanford. It will wheels of front-wheel drive cars. probably come on stream in GKN dominates this business. nid-1981, depending on demand, and have the capacity With its licensees, it supplies

to provide CVJs for 800,000 cars a year. The Alamance County factory will make constant velocity joints for a number of customers, besides Ford.

customers, besides Ford. Between them, the factories But GKN expects the total to will have a turnover of well

as U.S. manufacturers struggle to produce vehicles with greater tive officer of GKN Automotive fuel economy.

chairman, has said that constant at least one mora CVJ factory in

**OECD** spells out dangers

whole, unemployment is ex- 1973-74, since this would send pected to rise from just over mialeading signals in both users 17m at the beginning of this and domestic producers.

ycar in between 18m and 19m or five potentially valuable halfway through 1980; this is years wera wasted, with the renearly 6 per cent of the mem- sult that the member-States' economies are inadequately pre-The OECD countrias must not pared to withstand a relatively allow the real price of oil to modest shortfall in the energy

reach more than half by 1985 over \$100m a year. as U.S. manufacturers struggle Dr. Philip Vrzal, chief execuuel economy. Sir Barrie Heath, GKN's day that the group would need

Continued from Page 1

The moves on portfolio invest-The decisions to limit the ment are, however, the first The official preference is still ralaxation of portfolio controis significant step in this area and

A CARLES AND AND A CARLES AND A C

represent a change of official of controls has been kept so fluenced by the gradualist attiludes towards the purchase that formal applications still approach. It also reflects an of overseas securities. It is thus have to be made to invest obvious political desire for the probable that the Government abroad. This is partly because UK Government to appear to will not want to discriminate will not want to discriminate abroad. This is party because the control of the providence of permanently between invest-the authorities no doubt want be actlog as good members of permanently between invest-to retain a framawork of con- the community in fulfilling com- ment in EEC and other securiber-countries' labour force. trols in casa of a weakening of mitments on freeing capital ties now that the principle of extarnal confidence as in 1976. controls in the Treaty of Access greater freedom has been weaken, as happened aftar aupply.

#### the group's shiprepair interests individual companies following of this thinness of the order-created the most severe drain strong protests in the Commons book. over 95 per cent of world demand. Economy In the past, only one in 100

new U.S. cars has been frontwheel drive

The Government has closed

flows of the relaxation of side the EEC and on the finance one obvious loophole by controls so far announced. This ing of third country trade by announcing that the relaxations do not apply to purchases of

velocity joints are potentially the U.S. to keep up with the most important single profit expected demand.

we should be careful not to disadvantage and that UK reai-The changes announced subject ourselves to the poten- dents cannot effectively chan-

### yesterday are not iotended as tial size and volatility of finan- nel money through the EEC a final stage of relaxation. The cial flows which might result without paying the dollar timing of further moves will from the completely free usa premium in order to buy U.S.